
Competition and Markets in Higher Education: a ‘glonacal’ analysis

SIMON MARGINSON

Monash University, Clayton, Australia

ABSTRACT Higher education – particularly the research-intensive university, which is the focus of this article – is the subject of global/national/local effects, and is shaped by hierarchy and uneven development on a world scale. The article theorises social competition in higher education, and traces inter-university competition and stratification on the national and global planes with the help of figures and tables. It argues that social competition is much broader than economic exchange, but in the neo-liberal era marketisation is becoming more important, particularly cross-border markets. Globalisation and markets together are changing the competition for status goods (positional goods) in higher education. The competition is becoming more ‘economised’ because mediated by private capacity to pay, and intensified because there is diminished attention to public good objectives such as equality of opportunity: in any case transnational markets are configured as a trading environment where such objectives are irrelevant. The outcome is the steepening of university hierarchies, the formation of a ‘winner-take-all’ world market in elite and mostly American university education, a tighter fit between social hierarchy and educational hierarchy at the national level, and global patterns of domination/subordination that are as yet scarcely modified by global public goods. This suggests the need to rework the equality of the educational project and situate it globally as well as nationally.

Introduction

This article [1] describes and analyses competition and markets in higher education, in the context of the dynamic globalisation of the higher education sector. The article: (1) traces the shape of competition and markets in higher education with the help of figures and tables [2]; (2) draws out some effects of competition and markets in constituting social hierarchy in and through higher education, especially the hierarchy of universities themselves; and (3) examines

changes to these effects in the context of globalisation, focusing on the interface between national markets and global markets, and global patterns of hegemony and subordination in higher education.

Thus the article takes up two classical themes in the literature, social differentiation and globalisation, and examines the intersection between these two processes in higher education. Hitherto, this intersection has been little explored. Universities have long been implicated in the allocation of social and economic rewards within modern nations. They are also centrally implicated in many global spheres and processes, including the formation of globally mobile labour; the worldwide systems of communications, knowledge production and transfer; linguistic convergence; and in the 'competition state', the strategies of national governments for achieving greater competitiveness on the world scale.[3] In other words, higher education institutions are active subjects/objects in social stratification and in globalisation, working their socially formative and differentiating magic at one and the same time on the local, national and global planes. As yet we scarcely understand this remarkable extension of the social role of higher education; and we have yet to explore its many implications for the constitution of personality, inter-subjectivity, material economy, cultural forms, social relations, and national and global policy. Practice has run ahead of theorisation (this article is one attempt to catch up). The analysis of markets is not the only way to a better understanding of contemporary higher education, but it is a particularly useful one given that we live in an era shaped by neo-liberalism in policy and its intersections with globalisation; and given that in higher education the role of national and global economic markets is increasing.

Definitions

For the purposes of this article *higher education* principally refers to research-intensive universities, though the sector is much larger than that.

By *globalisation* is meant 'the widening, deepening and speeding up of world wide interconnectedness' (Held et al, 1999, p. 2).[4] The principal change in the global setting in the last three decades or so is the emergence of complex electronically networked relations between institutions and between people, creating an open information environment and synchronous communications in real time. This technological-cultural globalisation – which no doubt along with ecology has powered the intense theoretical concentration on global phenomena – provides the framework for synchronous world financial markets, encourages the spread of English as a common global medium, and augments the flows of people, ideas and capital within and across national borders (Appadurai, 1996; Held et al, 1999; Castells, 2000).

By *competition* is meant simply a socially structured contest between one and other agencies – whether people, institutions or nations – for individual advantage.

By *market* is meant a socially structured process of economic exchange, a process not merely economic but one with social, political and cultural aspects and implications. Often social systems are interpreted in universalistic and economic fashion: for example, in the term ‘the market economy’ with its implication of a self-regulating market as the central historical agent (Braudel, 1982, pp. 223-224, 226). In the USA the term ‘higher education market’ is often used this way. That is not the sense in which the term ‘market’ is used in this article, in which markets are understood in the context of larger historical processes. The ‘self-regulating market’ is an ideological fiction. Markets in all sectors, especially state-regulated higher education, are partly formed by government action and always conditioned by social interests.

Mode of Thought^[5]

A ‘*glonacal*’ analysis: the emergence of synchronous complex communications, an open information environment and networked social relations characterised by intensifying cross-border flows do not mean that higher education has become a single world system – though, as will be discussed, a single world system is one part of the higher education mix. Rather, in the global environment higher education is shaped in three dimensions simultaneously: the global, the national and the local. With universities capable of continuous direct intersection with each other, and many of them achieving a new corporate autonomy in relation to their neo-liberal governments, local identity and local practices have enhanced potential. At the same time national policy and resources are still important. These global, national and local elements continually interact, without any one of these dimensions determining the others on a permanent basis. Marginson & Rhoades (2002) propose a ‘*glonacal*’ analytical heuristic [6] for understanding the mutually constituting global, national and local elements that are now shaping higher education everywhere:

glonacal = global + national + local.

A *social-political-economic analysis*: as the foregoing definition of ‘market’ suggests, the article works on the borderlines between the social, the political and the economic (which necessarily means taking in cultural and technological dimensions as well). No single eye can observe the whole of social life, no single discipline or sector analysis captures all; and certainly not economics, the social science that makes the boldest claim to total knowledge (Marginson, 1997). While analyses based on single bounded disciplines gain a certain analytical penetration from their own internal coherence and their self-imposed external limits, real-life phenomena do not remain confined to the disciplinary categories that we have created to apprehend them. While much of this article is focused on relations of power, here relations of power are understood as pervasive rather than confined to the spheres of formal politics and government. ‘The power apparatus, the might that pervades and

permeates every structure is something more than the state. It is the sum of the political, social, economic and cultural hierarchies' (Braudel, 1982, pp. 21, 555).

Competition and Markets

The distinctive move made by the article is to argue that social *competition* in and through higher education is much more pervasive than market mechanisms per se. Economic market competition is one particular form of social competition in higher education – or rather, it is a set of such forms, for within this category of economic competition more than one form is possible. The transition from conventional economic competition based on a mixed public and private economy, to the fully capitalist form of competition, changes the character of social competition in higher education, with broader implications for social differentiation and hierarchy.

The article starts from the assumption that higher education institutions play a central role in the production and allocation of social status (social advantage, social position) in all societies. This struggle for status is a powerful motivating force for both students and institutions in higher education, i.e. in relation to both 'supply' and 'demand'. Like economic capital, with which it is not identical but is closely implicated, status is a social 'good' whose possession has fecund economic, political and cultural potentials for the possessor. Status in higher education thus functions in the manner of an individualisable commodity benefit, albeit one that can be possessed by whole institutions as well as single persons. It must be emphasised that higher education institutions do much more than produce and regulate social status for students/graduates and for themselves and their internal communities. For example, these institutions form individual personalities, shape professions and institutions, augment and codify knowledges and create cultural artefacts. Further, it is possible to imagine a network of universities in which status motivations are much less important than they are today. Nevertheless, in all higher education systems in which universities are tools of nation building, that is, all the modern national systems and all postmodern (contemporary) global era systems, competition for status is powerful and pervasive. This status competition is crucial in system organisation, determining – though not wholly subsuming – much of the pastoral, intellectual and cultural potentials of universities, especially the distribution of those benefits within institutions and between social groups. Strikingly, status competition shapes systems of free higher education as well as market-based systems where student fees are charged.

However, the role of status competition is more determining and more dominant in those systems where neo-liberal assumptions are established as day-to-day practices (Marginson, 1997). The ascendancy of neo-liberalism in economic regulation, and less universally in social policy, dates around the world from the mid to late 1980s. Prior to this, in Europe and the English-speaking countries outside the USA, the dominant template for mass higher

education systems was a government provided and regulated competition for status. There was free or nominal tuition; and levels of status differentiation among producer universities were flatter than is typical of an economic market, though the 'steepness' of the institutional hierarchy varied by nation. This template still applies in Western European nations such as Germany. Nevertheless, in many nations status competition, whereby higher education is understood as an individual commodity benefit, has proved to be fertile soil for the neo-liberal policy project of economic market reform in higher education. On the one hand, desires for status are the driving force of economic markets in higher education (with the exception of the market in commercial knowledge, intellectual property). On the other hand, all else being equal, the formation or extension of economic markets in higher education intensifies the emphasis on social status, which operates as both the commodity objective of individual students and the means of ranking producer institutions in the market. In sum, while the role of status competition is broader than the terrain of identifiable economic markets, in the context of contemporary higher education systems there are compatibilities and reciprocal relations between status competition and system marketisation (Marginson, 1997, 2004). At the same time more than one kind of economic market is possible, and this has varying implications for the possible forms taken by national and global status competition.

Theorisations of Competition and Markets

Whether specific to higher education or not, the literatures on globalisation provide status competition with little attention. However, there are insights in an older, more pre-global literature on the borders of political economy and sociology, concerning status goods or 'positional goods' including education, for example, the work of Fred Hirsch in *Social Limits to Growth* (1976); Robert Frank (1985), and Robert Frank and Philip Cook (1995) on the dynamics of 'winner-take-all markets'. This body of work is drawn on frequently in the article, which transfers positional goods to the global plane.

Another way into the problem is provided by the three volumes of Fernand Braudel (1981, 1982, 1985) on *Civilisation and Capitalism* in Europe in the fifteenth to eighteenth centuries. Braudel is centrally focused on the growing role of capitalism within the larger constellation of social practices; the role of the global dimension of economic activity in this transformation – for the rise of capitalism derived partly from its strategic flexibility and innovation in global markets – the cross-fertilisations and tensions between national and global elements; and the implications of all of these changes for social and global hierarchies. Braudel's work suggests many insights into the development of markets in erstwhile non-market environments. Braudel traces how capitalism took hold, gaining toeholds in sectors such as finance, shipping and warehousing and at key moments of market centralisation (Venice, Genoa, Amsterdam, etc.) till it became a general system of economic organisation that

shaped national economies and reached across every border. As in fifteenth to eighteenth century Western Europe, so in higher education today: the global markets are the most dynamic social/economic/cultural element in the total picture. Braudel also focuses on the role of capitalist economy in the formation of the social order that ultimately prevailed in Europe. 'Active hierarchies are constructed on top of the market, able to manipulate exchange to their advantage and disturb the established order' (1981, p. 24). 'Capitalism implies above all hierarchy, and it takes up a position at the top of the hierarchy, whether or not this was created by itself' (1985, p. 65). The rise of capitalist economy in Europe was not constituted by economic forces that were separate from social, political and cultural factors, but in association with them.[7]

Argument by historical analogue has its limits, but as we shall see there is much in Braudel's work that echoes in the higher education sector today. It is too early to declare that universities have been or will be decisively conquered by capitalism, in the manner of nineteenth-century industry and commerce – indeed, a full capitalist transformation of universities may never happen (though it would be unwise to assert it is impossible!). The point rather is that Braudel's examination of competition, hierarchy, and intersecting global and national markets has much insight for us.

Four Layers of Educational Competition

Layers of Practice in Higher Education

A dualistic approach to social theory (Dow, 1990) would suggest to us that higher education is *either* a competition or not; *either* an economic market or not. Neo-liberal economists would argue that it is *either* a 'true' (capitalist) market or not (and if it is not, it should be transformed into one). In fact, higher education is all of these things simultaneously. It is comprised by a number of different 'layers' of practices. It is a site of teaching and learning and of intellectual and cultural production; it is a site where social status is produced and regulated; it is a site of economic exchange; and it is a site where economic profits are made and capital accumulated. We need an analytical approach which allows all of these elements to exist at the same time, while enabling us to identify the element or level that is determining of the whole.

In *Civilisation and Capitalism* Braudel develops a non-dualistic framework that enables a complex historical reality to be broken down into constituent elements or layers of practices recognised as interdependent. Braudel conceives economic society in the fifteenth to eighteenth centuries in terms of three heterogeneous zones of activity, layers coexisting with each other and affecting each other, while constituting identifiably separate worlds and to a large extent sustained by different people (Braudel, 1981, pp. 23-25). These layers were as follows:

- the substructure of everyday 'material life', local human life, which was the largest layer of all, prior to and extending well beyond the market economy;

- the layer of economic exchange and markets, extending from local shops to the great trading fairs, and national economies; which rests on the first layer, but is dominated by specific interests such as merchants and traders; and
- the layer of the emerging capitalist economy, with its financial systems, wage labour and accumulation for accumulation's sake, capital for capital's sake: an active hierarchy constructed on top of the market economy. This was a minority of economic life, but the layer where flexible strategic power was wielded and super-fortunes made. The fact that capitalism – unlike the ordinary market, let alone day-to-day material practices – creates and alters its own economic strategies marks it out as a superior force (Braudel, 1982, p. 400).

Developing something similar for the analysis of higher education, we can identify four layers of educational-social practices. The four layers exist together, penetrating and shaping each other, while also being discernibly separate, with different time scales and rhythms, different cultural contents, and often also, different personnel.

The four levels are as follows (see also Figure 1):

1. The broad day-to-day layer of *lived educational practices*, with its conservative rhythms of teaching and learning; publishing and writing; selecting, examining and certifying; and administering of higher education institutions, with ever-increasing student numbers and tasks and the ubiquitous shortage of funds.
2. The first level of system organisation, where in all nations higher education functions as a *social competition for status goods*. This status competition does not have to take a strictly economic form. No buyer–seller money need change hands for status competition to take place. This competition has a double aspect. Students compete for prestigious educational opportunities, associated with social advantage. Universities compete for producer status, which is derived from educating the academic and social elite, from their research performance, and from staff reputation gained in research and scholarship.
3. The second level of system organisation, where in many but not in all nations this status competition takes the form of a *competitive economic market in status goods*. Market competition does not displace status competition; rather, market economy becomes the medium for the status competition; and this transformation changes the forms and operations of status competition. Around the world governments are introducing or increasing variable tuition fees and creating buyer–seller exchange; creating competition between institutions for public and private funding; using quasi-commercial system management techniques such as performance ranking of institutions, competitive bidding and the contracting-out of services; and encouraging university manager-leaders to introduce similar techniques inside the universities. Nevertheless, on this level the market in higher education remains a 'quasi-market' in which only partial market

relations apply, e.g. tuition may be government subsidised, not set at full commercial cost levels. Note that all else being equal, the introduction or augmentation of economic competition tends to encourage a steeper vertical differentiation between the individual institutions, in their respective resources and statuses, as will be discussed.

4. On top of both the world of lived educational practices (level 1) and the market in status (level 2), which now frequently takes the form of an economic market (level 3), there is the frankly *commercial sector* in higher education (level 4). Examples are: 1. the education of foreign students in mostly English-speaking universities and 2. the fully commercial higher education sector, mostly small in developed nations, e.g. the University of Phoenix in the USA. In this the commercial or capitalist layer of practices, rather than the market providing the medium for and signifier of the status competition – as at level 3 – the relationship between status and economic revenue raising is reversed. At level 4, capital, not social status, becomes the driving force. The producer motivation is no longer teaching, or caring for students, or adding to the stock of knowledge, or status and institutional prestige. It is as Marx argued, accumulation for accumulation's sake, capital for capital's sake. Nevertheless, status goods continue to be the main kind of good on sale. In the commercial markets in higher education, as in the subsidised places 'below', cross-border students and vocational students are chiefly interested in the social advantages education can obtain for them.

The dynamics of each of these four layers of practice will now be discussed.

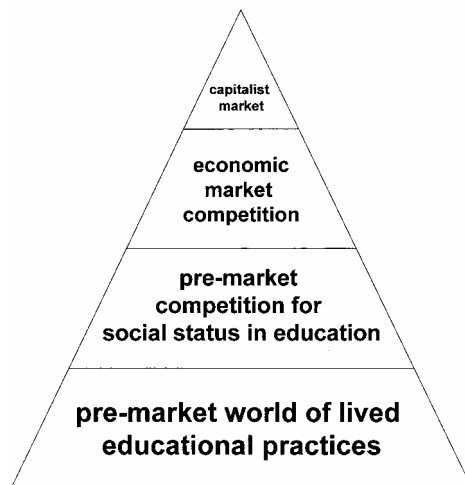


Figure 1. Four layers of educational competition (national).

Lived Educational Practices

The world of lived educational practices is ubiquitous, with a vast potential for local nuances and idiosyncratic rhythms; a loosely coupled assemblage of every learning site and professional habit. Notwithstanding small local innovations and improvisations that are sometimes startling in their novelty, it is also inherently conservative. Larger patterns change only very slowly. Flexibility is confined to particular cultures, localities, institutions and disciplines; and must negotiate with received traditions, some pre-dating the professional, and operate within their boundaries. Here a vast range of educational outcomes or 'outputs' are produced, many of which are not reducible to single individuals. These outcomes include the skills acquired and knowledges learned; cognitive formation and pastoral care; the development of individuals and groups and individuals-in-groups; the patterns of individual and social opportunity; the variations of scholarship and research; culture and science and sporting activities; the contribution of universities to local and national literacies, social tolerance, understanding, the conditions for social order, economic growth and cross-border sensibilities, etc. The educational institutions, their values and the people that comprise them are very diverse.

Most of this cannot be made the object of status competition and market production (though no doubt there is always new potential for product development). Some of the outcomes of education take the form of common goods on the local, national or global planes, for example the contribution of universities to common cultural literacy within the nation; and the global contribution of basic research and free knowledge transfer. Nevertheless, the level of day-to-day educational practices is the platform on which social and educational competition takes place, and economic markets in education are built. Educational competition revolves around a relatively narrow selection from the totality of daily educational practices, for example focusing on certificates rather than the content of classes; and on status produced and acquired, rather than the people that are formed in education. It reduces the diversity of daily practices to processes, such as certification and ranking, that can be configured on a basis common across systems. While competition and markets are not necessary to lived educational practice, the layer of lived educational practice is the necessary foundation of competition and markets. But it does not control them.

Common goods and competitively distributed goods are in tension, in the sense that when education is produced as individualised commodities it cannot be freely and democratically accessed as common goods.[8] Likewise, where education is produced and consumed on a common basis, competitive relations (including fuller market relations) cannot function. No one will pay the producer separately and directly for goods made freely available to all. Nevertheless, real-world environments are more fragmented, mixed and messy than liberal economic theories suggest; and in practice competitive goods and common goods also sit alongside each other – i.e. higher education institutions

produce both private and public outputs, simultaneously – and while the relationship between common goods and competition goods is tense it is not always antagonistic. For example, certain common goods provide conditions of possibility for competition and market goods. One case in point is that basic research provides conditions of possibility for commercial research. Likewise, the universal acquisition of basic literacy in elementary schooling provides the social threshold for the differentiated educational competition that takes place in later years.

Status Competition

The drive for status is not a universal human motivation. It coexists with powerful desires for egalitarian relationships, with which it is in tension. It is not essential to human survival and can be set aside at will. Nevertheless it is hard to disagree with Adam Smith: ‘the desire of bettering our condition ... never leaves us till we go into the grave’ (Smith [1776] 1979, p. 441). Keynes (1936), Hirsch (1976), Frank (1985) and others argue plausibly that often, the measuring stick for this betterment of our condition is not our absolute material wealth or agency freedoms but our standing relative to others. ‘To insist that people care little about relative standing is to focus on a world that does not exist’ (Frank, 1985, p. 107). Here relative advantage functions both as a source of freedoms and absolute benefits, and as an end in itself.

Despite the ubiquity of the desire for relative advantage, mainstream economics assumes that a person’s sense of well-being or utility depends on the absolute quantities of various goods she/he consumes, not on how these quantities compare with the amounts consumed by others (Frank, 1985, p. 37), and so tends to bypass consideration of status goods. This prevents mainstream economics from fully understanding competition in higher education, including the character of student-consumer choices and choice making. Economic analyses assume that the consumer sets out to maximise the absolute quality of teaching and learning; and in market-focused systems, governments and institutions have developed techniques of quality assurance in order to feed student evaluations of teaching into university decision making, lift the ‘floor’ of quality and provide data useful to facilitate student-consumer choice making. However, the student-centred piety of the quality assurance movement largely misses the point of a higher education system in which such factors as the quality of teaching, and the ambience of learning environments, tend to be over-determined by the drive to maximise status. Few students turn down places in Ivy League institutions once the opportunity becomes available. That is the acid test. This suggests that most students would rather receive lacklustre teaching in a high-status institution (providing they are able to pass their courses) than good or even outstanding teaching in a low-status institution. In an environment of competition in status and position, it becomes common sense to see ‘quality’ as centred on the high-status

institutions, whose reputations are sustained by student entry scores and research outputs [9], not technologies for improving teaching.

Human capital theory imagines that students invest in education in order to form themselves as human capital and thereby augment their productivity and maximise their future earning power. However, it can be plausibly argued that students are unable to forecast their future earnings with any reasonable degree of precision. On the other hand, they can make educated guesses, however illusory, about which student places are most likely to advantage them. Status is readily identified; after all, it is almost common sense, or at least common gossip. Human capital values must be computed, which is more difficult, especially in the absence of adequate data. What actually happens is that students invest in status goods in order to deploy those goods as signifiers (credentials) in the labour markets. These students want status goods with the highest possible value. The institution attended is the most important indicator of value, followed by field of study. Meanwhile, in the process of selection of graduates for work, employers identify not human capital as such – the potential productivity of employees is elusive, and productivity is not necessarily correlated to earnings – but the possession of status goods. Employers tend to opt for graduates from high-status institutions. In the case of both the student and the employer, decisions about status are a proxy for decisions about human capital. Thus in a status competition, student-consumers-producers focus not on the whole of the market or on making fine-grained distinctions about, say, the teaching quality of different institutions and courses, but on accessing the institutions with top reputations. Frank & Cook (1995, p. 38) cite evidence that in winner-take-all markets, consumers do not focus on the whole market, just on the top layer. Likewise, a 1999 Australian study of factors influencing the choices of prospective undergraduates found that applicants had low detailed knowledge of the teaching quality and lifelong earnings potential of particular courses. ‘Applicants focus on broadly conceived course and institutional reputations when making their selections’ (James et al, 1999, p. ix). Here ‘course entry scores, and by implication “university scores”, serve as a proxy for quality in prospective students’ eyes’ (p. ix). This choice making behaviour is consistent with a status competition, not the human capital market imagined in economics.

Hirsch (1976), Frank (1985) and Frank & Cook (1995) explore the dynamics of competition for status goods or ‘positional goods’ in education and other sectors. The crucial point is that precisely because these are goods of position within a finite hierarchy, there is an absolute limit to the number of status goods of high value. As Hirsch puts it, positional goods are goods, or jobs, that are either ‘(1) scarce in some absolute or socially imposed sense, or (2) subject to congestion or crowding through more extensive use’. One implication is that ‘positional competition ... is a zero-sum game. What winners win, losers lose’ (Hirsch, 1976, pp. 27, 52). ‘Saying that a high-ranked position in society is a thing of real value is exactly the same as saying a low-ranked position imposes real costs’ (Frank, 1985, p. 117). Positional goods/status goods

confer advantages on some by denying them to others. In higher education both the statuses acquired by student-consumers, and the statuses of the producer universities, are bound by this remorseless logic of zero-sum. This logic shapes the differentiation of consumption (creating unequal social opportunity), and of production (creating uneven educational quality), in higher education. These inequalities are not the natural starting conditions under which a neutral and 'fair' competition takes place, nor an accidental by-product of competition. Hierarchy in all its aspects – social order and inequality, domination and subordination, deprivation and waste – is both necessary to the status competition, and produced by it. Status competition in higher education is a matching game in which the social hierarchy of students/families is synchronised with the always-already hierarchy of institutional providers. Prior social advantages are naturalised and reproduced in educational institutions whose operation is driven not by nature but by power. The gilded circle of privilege turns above the vast substratum of status failure below.

Status competition in higher education has a dual character. There is both competition among producer institutions (as in a conventional economic market), *and* competition between student-consumers. Producer institutions compete for the custom of the most preferred students, those with the best academic standing; while students compete for entry to the most preferred institutions. Over time status competition tends to be circular in its operation and effects. The prestige of elite institutions sustains both high numbers of applications and high student entry scores; the scarcity of places enhances the value of the prize and reproduces the prestige of the institution. Wealth tends to follow prestige: wealthy families invest in high-value positions in education to maintain their social leadership, and in some nations they will eventually donate to the elite institutions that nurtured them. As this suggests, two kinds of status are produced at the same time. Students want individualised status for themselves and acquire it from elite institutions. Those institutions want to sustain and improve institutional status, and they need elite students to produce and reproduce it. Both kinds of status good, individualised status of students/graduates and institutional status of the universities, are *co-produced* by the student and the university. The high-status consumer is also a producer of status – though the low-scoring student, with little to offer the elite university, is confined merely to the consumption of education.

When higher education is organised as status competition *without* an economic market, the dynamics of that non-market system competition both resemble the dynamics of an economic market, and differ from such a market in striking ways. First, as noted, in the workings of this competition no money need change hands: consumer/producer students offer producer universities not money as in an economic market, but themselves as raw potential status goods, to be joined to the institution in the process of mutually produced status. Second, in contrast to conventional production the good does not pass from producer to consumer – the producer institution ends up with more

status that it began with. Third, unlike an economic market, non-market status competition is not premised on unequal exchange between producer and consumer. Thus both the producer and the student gain something and lose nothing. At least in cases when there is real social status to be gathered in the status competition – which applies to most of higher education, at least in the developed nations – the consumer–producer relationship is positive sum: a ‘win-win’ played out within the circle of elite social power. The ‘lose-lose’ is sustained by those left outside the status competition altogether. In a status market universities have a vested interest in raising entry scores, increasing their academic exclusiveness in order to maximise their prestige. This objective is in conflict with the maximisation of social access and equity in education; the more so because the distribution of prior academic achievement correlates to socioeconomic power. Fourth, as in economic markets, in status competition ‘choice’ is central. But in a status market choice is two-way: students choose institutions, while elite institutions providing scarce high-status opportunities also choose students. Here choice making is being channelled into the self-formation of an aristocracy; compared to an orthodox economic market, consumer power is more completely subordinated to producer power. Price leverage is not enough to break down the doors of Harvard. In status competition the pivotal moment is not buyer–seller exchange, but student selection.

Likewise, producer universities do not behave like conventional firms. Non-profit universities are prestige maximisers, as well as performance maximisers and revenue maximisers. For universities their status (‘competitive position’) is an end in itself. Arguably, in non-profit and state universities, status is always the overriding bottom line. At the same time university status is a tool of material survival, in that it enhances the potential to raise revenues from teaching, research, donations, etc. As suggested, producer status derives from historical reputation, student entry scores and aggregate student demand, research performance and scholarly standing. Research performance is both a direct source of status and feeds directly into revenues, which in turn feed back into status; both revenues and status help to sustain research performance, and so on. All else being equal, in the circular effects of the status competition student entry scores, research performance and institutional revenues all tend to feed into each other. One implication is that in any status competition, even when it is organised as an economic market, elite institutions have a vested interest in remaining modest in size rather than growing ad infinitum to meet the potential demand. To expand without limit in the manner of a business driven by profit volume and market share would be to devalue the individual value of each student place and forgo institutional standing.

Because of the circular effects, once an institution has been able to secure high status (the difficult part), providing that it continues to follow the logic of a status market, the reproduction of its position while closing off access to ‘wannabee’ others becomes relatively easy. In well-established status competitions many universities try to ‘game’ the competition to increase scores

[10] but membership of the elite remains relatively stable over time; more so than the hierarchy of producers in other markets, such as automobiles. In Australia the leading institutions are all 45 years-old or more.[11] 'Success breeds success' (Frank & Cook, 1995, p. 36). The status leaders always have more cards to play; they have the advantage at every turn. One American survey found that Princeton was ranked in the top 10 law schools in the country – yet Princeton did not have a law school (Frank & Cook, 1995, p. 149).

Over time the elite institutions tend to concentrate student and family desires to themselves, to a growing extent (unless the status competition is modified from outside). Frank & Cook note that in the USA elite institutions increasingly dominate in shares of the highest-scoring school students (Frank & Cook, 1995, pp. 153-154).

Years ago many top students attended state universities close to home, where they often received good educations at reasonable expense to their families. Today these same students are far more likely to apply to, be accepted by, and matriculate at one of a handful of the nation's most prestigious universities ... The nation's elite educational institutions have become, in effect, the gatekeepers for society's most sought-after jobs. Those who fail to pass through their doors often never had a chance ... realization of this truth has spread widely among our best and brightest high school seniors. (Frank & Cook, 1995, p. 12)

More and more bright students press for entry into the top institutions, the gateway narrows and 'failures' accumulate. Meanwhile the more modest institutions are emptied of custom and dignity. Unrestrained status competition has a substantial downside. It produces social closure; it emphasises social divisions that are highly conflictual; it exacerbates collective dissatisfaction; and it generates socially wasteful expenditures, the more so when the status competition is ordered as an economic market and a 'positional arms race' develops (for discussion of positional arms races in higher education, see below). To reduce these downsides, societies, institutions and governments have developed social rules and conventions – checks and balances – to prevent status competition from getting out of hand (Frank, 1985, p. 11). One example at the day-to-day level is the culture of equality among friends or workmates.[12] Another example, from higher education, concerns the behaviour of elite institutions: American Ivy League universities often set real tuition prices below the 'sticker price' nominated by the institution and further below the price that the market would pay, for non-economic reasons. However, in most higher education systems, the main source of moves to reduce the downsides of educational status competition has been democratically motivated public policy and government. Policies and programs designed to modify the downside of status competition vary by nation, including free tertiary education or low financial barriers; the broadening of participation by providing more places; modifying the student selection into

elite institutions to secure a more socially representative intake; maintaining relations between universities on the basis of equal funding and formal status, thus flattening the hierarchy and reducing the stakes involved in positional competition; and broadening the number of students who can be academically successful by modifying examination systems, or changing the definition of success. 'Cases in which rewards depend on relative performance but are not highly concentrated clearly cannot be major sources of inequality' (Frank & Cook, 1995, p. 25).

These strategies to modify positional competition have rarely sought to abolish status goods as such, because to do so would be to challenge the most powerful social groups. Thus governmental strategies premised on 'equality of opportunity' conceal an inherent tension, that of managing a status competition while at the same time trying to modify the outcomes. Equality of opportunity strategies pursue equal rights and structured inequalities, mobility and hierarchy, openness and closure, all at the same time. Equality of opportunity promises to satisfy everyone, or at least reconcile everyone to the status competition and its outcomes; but inevitably, many are left unsatisfied.

In the last two decades in most nations the shift to neo-liberal policy frameworks has seen a reduction in intervention for social equity purposes, the modelling of institutions as standalone quasi-firms, and less vigour in the design and implementation of policy checks and balances intended to modify the downsides of status competition. Status competition has been naturalised by market ideologies.

Economic Market Competition in Status

What happens when the status competition takes place in an economic market? 'Status within groups emerges as a good like any other that is traded in the market place' (Frank, 1985, p. 10). Yet whether high tuition is charged or not, this is never a freely competitive market. The market production of status goods in higher education *necessarily* combines competition with oligopoly and market closure. Nor is it characterised by orthodox relationships between supply and demand, in which the competition for customers drives improvements in service, innovation and price. The contrary is the case, especially among the elite higher education institutions.

Providing that elite institutions sustain their prestige, the more intense is the consumer competition for entry, the *less* those elite institutions are required to court the consumer in the conventional manner by dropping prices or providing more and better services. They must compete vigorously in terms of research performance, which is essential to maintaining and advancing their prestige, and they must make the right noises about the quality of teaching, but in reality they do not compete directly on the quality of teaching services. For every student of the elite institution who is dissatisfied with the quality of teaching or the size of classes, there are many more outside the university gate and willing to take their place. At the bottom end of the market, the workings

of status competition are different. Institutions must compete hard to attract students to fill their places and secure revenues; and their success is always provisional and contestable. But these institutions do not receive full recognition for the quality of good programs. In a status market, their efforts to improve the quality of teaching are over-determined by their low status. Meanwhile, intermediate institutions, combining scarce high-value places with low-value access places, find it difficult to move up the ladder because of limits to the number of high-prestige producers. They cluster as 'second-choice' producers, or specialists. Thus positional markets segment into groupings, with segments aligned in a vertical hierarchy and firm barriers limiting upward movement, especially movement into the top tier. There are at least four distinct segments in the Australian system (Marginson & Considine, 2000, pp. 175-232). There are more in the United States.

In an economic market in status two kinds of positional arms race develop: one among consumers and another among producers. Among consumers, several effects conspire to exacerbate costs. First, any market in status goods tends to draw increased consumption over time, relative to consumption in other spheres, because these are publicly conspicuous goods as opposed to hidden goods: Frank calls it a 'demonstration effect'. Second, in a status market students and families typically overestimate the potential for individual gain. Where 'the odds of winning can be enhanced by individual investment, an equilibrium emerges in which we invest too heavily in positional goods' (Frank, 1985, pp. 146-151, 186). Third, these individual investments tend to cancel out, so that students and their families must invest more to achieve a constant level of social position. When everyone stands on tiptoe, no one can gain a superior vantage. Worse, in fact – everyone runs harder just to stand still in relation to each other. 'The problems we attribute to winner-take-all markets stem largely from participants' failure to take account of the costs they impose on others' (Frank & Cook, 1995, pp. 19-20), including congestion and overcrowding; increased scarcity if the number of goods is constant; or a reduced average value of goods if numbers expand. 'When the stakes in such contests are high, each contestant may face irresistible pressures to make heavy investments that in the long term turn out to be mutually offsetting' (Frank, 1985, p. 136).

Among the student-consumer-producers, investment in status goods in a positional market inevitably generates both individual frustration and deadweight social costs, and these outcomes worsen over time. An extreme case is the ultra-competitive Korean education system. Parents' spending on private tutoring, designed to secure their children's entry to the most prestigious schools and universities, has been estimated at 3.2% of gross domestic product (GDP) (Organisation for Economic Co-operation and Development [OECD], 2000). For the most part these individual investments, entirely devoted to private benefits, fail to achieve their objectives. They absorb immense resources and they cancel out. If the same resources were

applied directly to institutions providing shared facilities for teaching and research, the whole of the Korean knowledge society would be advanced.[13]

The positional arms race among producer institutions has its most developed form in the United States. The intensification of competition between producers generates cost inflation (Winston, 2003). First, because institutions spend wastefully on factors that enhance reputation rather than service quality, for example sports teams and coaches. Second, in prestige institutions, faculty labour functions as a classical winner-take-all market, like the market in entertainers or sports stars – at least in kind if not in level of pay. A small number of stars are paid high salaries relative to the rest. 'By its very nature, the demand for top rank can be satisfied by only a limited number of products in any given category. And this, together with the fact that people are willing to pay substantial premiums for top-ranked products, often gives rise to intense winner-take-all competitions between the aspiring suppliers of those products' (Frank & Cook, 1995, p. 41). Again, competition exacerbates costs without increasing aggregate benefits. Despite this, rising costs across the board are not enough to detonate the positional arms race. 'If the gains from better applicants are illusory for higher education as a whole, the increased revenue flows to individual colleges are not' – even though each new revenue is consumed by a pressing new investment to maintain competitive position (Frank & Cook, 1995, p. 135). The winner-take-all character of the American markets in prestige tuition and in faculty labour is enhanced by the spread of information and communications technology (ICT) networks, and on the global scale by the growing role of English in academic life. Electronic networks extend themselves at a diminishing unit cost, creating a propensity to continuous expansion.[14] Electronic networking broadens the scope of national and global status markets, enhances the visibility of producers and centres and concentrates superior prestige on a small number of market leaders. This increases the relative rewards to leading institutions and faculty and reinforces the tendencies to market segmentation inherent in status competition. The Ivy League becomes ever more visible, and ever less accessible.

Within institutions, the introduction or exacerbation of market competition on top of status competition is associated with cultural change and organisational tensions. 'Money everywhere contrives to insert itself into all economic and social relationships' (Braudel, 1982, p. 436). Manager-leaders become more entrepreneurial (Clark, 1998) or at least more enterprising. Managerialism focused on university reputation and revenues is in tension with disciplinary cultures and pastoral traditions; so that in some institutions manager-leaders set out to deliberately weaken the power of the disciplines, seen as an obstacle to the free deployment of resources to achieve strategically malleable objectives determined by the 'CEO' (Marginson & Considine, 2000).[15] Nevertheless, the encounter between markets and older professional practices is not predetermined. In many institutions where the role of market competition is growing, semi-independent academic cultures, and restraint on

growth so as to sustain prestige, are a brake on free-wheeling entrepreneurialism. Revenue is unambiguously supreme only in fully capitalist institutions. As Marx put it:

Trade always has, to a greater or lesser degree, a solvent effect on the pre-existing organisations of production, which in all their various forms are principally oriented to use value. But how far it leads to the dissolution of the old mode of production depends first and foremost on the solidity and inner articulation of this mode of production itself. (Marx, 1981, p. 449)

‘All forms of exchange are both economic and social’ (Braudel, 1982, p. 227). As the economic market in status develops and gathers the critical mass needed to become the dominant form in higher education – this has long been the case in the USA, it is becoming the case in Australia and probably the United Kingdom (UK), and it is true in part in Japan and Brazil – the status market becomes more stratified and the stratification becomes steeper. When high fees are charged to students, the competition intensifies and both costs and financial stakes are raised, the gulf between high-value institutions and others is widened and the effects on social equity become more regressive – unless compensating policies are put in place, such as extensive scholarship schemes. Former Harvard President Derek Bok ‘sees powerful elites who are insulated from competition and able to set their own terms in a world increasingly unrestrained about inhibitions about greed’ (Frank & Cook, 1995, p. 5).

In sum, in the university status market ‘the connection between individual and aggregate advance is broken’ (Hirsch, 1976, pp. 7-8). Adam Smith’s invisible hand fails to maximise the general welfare. On the contrary: arguably, market competition in social status, in and through higher education, not only fails to advance the general welfare, it *reduces* it, suggesting that the policy objective in higher education should be to augment investment in joint education infrastructure that is designed to benefit all:

When social interaction of this kind [positional competition] is present, individual action is no longer a sure means of fulfilling individual choice; the preferred outcome may be obtainable only through collective action. (Hirsch, 1976, p. 5)

Ironically, in the neo-liberal policy setting, the sphere of ‘collective action’ – principally national or regional/local government – has been mostly used not to augment common goods in higher education but to introduce or augment economic markets (Marginson, 2003). In theory neo-liberal government aims for a more homogenous field of producers in which inherited status recedes and competition functions according to an economic logic, thereby maximising allocative efficiency and perhaps – it is hoped – consumer responsiveness. Once markets are installed governments manipulate their rules and mechanisms as a continuing policy tool. But the decision to marketise higher education is a momentous one. Once installed, the economic market is hard to reverse, because to do so would imply high spending in a policy environment of tax minimisation. While there is a continuing potential for policies that modify the

effects of status competition, such as subsidies designed to provide for greater social equity at the point of entry to higher education, and policies designed to ensure that all institutions are of adequate educational quality, it is more difficult to sustain such policies in a market environment than it is in a free system. Such government interventions are pitched against the logic of fiscal discipline, and contradict market equity, whereby all students and institutions compete on their own behalf without special assistance.

Thus marketisation constitutes a double regression from social equity: markets exacerbate inequalities, markets naturalise market outcomes and denaturalise policy intervention. This is not always obvious to all. No doubt many students and families buy the argument that marketisation broadens opportunities, by breaking open the closed circle of elite status competition. It might seem that status that was once inaccessible to all but the brightest students in a handful of institutions can now be bought. But can it? The logic of status competition is still zero-sum. In a national market, when status goods come to be provided on a high-fee basis, the number of high-value goods does not change, and the identity of the prestige institutions does not change. Unless the student invests in the international market, there can be no more elite university places than there were before. The change is that these goods become more expensive than before. Far from opening up the national status competition, markets impose another closure. The barrier of student selection is now reinforced by the barrier of financial cost. And the same people who dominated the low fee university dominate the high fee university – while others now find it harder to get in. So much for ‘taxpayer equity’ as an egalitarian tool.

Thus the reproduction of the social elite becomes better protected behind high-fee walls; the student children of the elite are confined to their financially selected equals: higher education functions in the same manner as the guarded city estates where those same high-fee families are concentrated. In this quasi-market environment typical of prestige universities in the neo-liberal era – part policy driven, part tradition driven, part money driven and part academic – market ‘liberalisation’ does not abolish status competition. Rather, the market enhances its effects and protects the traditional beneficiaries.

Fully Capitalist Markets

Matters change only if and when educational competition becomes a fully capitalist competition. Educational capitalism shares with capitalism in other sectors the drive to expand and an ‘unlimited flexibility’, a ‘capacity for change and adaptation’ (Braudel, 1982, p. 433). It displays the familiar capitalist facility in creating and exploiting opportunities in and through its capacity to cross national and sector borders. At the same time, there is nothing intrinsic or essential about the educational functions of educational capitalism. It carries no cultural or social baggage. It is no longer wedded to the status dynamic of prestige for prestige’s sake. Thus a fully capitalist market in higher education

tends to subvert the logic of status competition – the two are already incompatible. Yet it finds the reproduction of status is well protected by the routine mechanisms of social order and social hierarchy in education. Finding itself unable to expand status goods to meet potential demand, so maximising market share and revenues, educational capital flows into new markets it creates for itself. The principal zones of commercial development lie not in the national markets in status goods but in the global markets and in linkages to industry through vocational training and commercialisable research. The other area marked down for capitalist development is online degree courses, but successful commercial prototypes have not yet emerged, and consumer take-up has disappointed providers, though the market in educational software is expanding rapidly (for more discussion see below).

While only a small part of the activity of higher education institutions is capitalist in character, this activity is strategically placed at the junctions between national education systems, and where university research is joined to capitalist firms under the auspices of state regulation (Slaughter & Leslie, 1997). This capitalist activity exercises a disproportionate influence on educational practices overall; even a leading role in some respects. The drive for profit exercises itself through the internal hierarchy of the university: generally, the executive leaders of universities, and the heads of entrepreneurial units in research or teaching, are the most focused on the development of 'academic capitalism' (Slaughter & Leslie, 1997; Marginson & Considine, 2000). It is particularly obvious in those universities in the UK, Australia and elsewhere that have positioned themselves as sites for commercial investment in foreign study and global mobility. To the extent that education markets are fully commercialised, a more thoroughgoing entrepreneurial mindset emerges, in which academic product and tradition are subordinated to profitability and market share.

However, educational capitalism has a free hand only where it moves outside the orthodox terrain of established, non-profit institutions and the national status competition they control. To the extent that educational capitalism develops within the non-profit mainstream, where status objectives are at least as important as revenue objectives, it is typically associated with cultural tensions and economic constraints. Commercialisation tends to subvert academic cultures and undermine the prestige sustaining function of basic research. From the commercial viewpoint, such non-commercial functions subtract from the resources available for market development. While research generates useful reputational effects, these benefits are conjectural, at best coming on stream only in the longer term. Thus to the extent that an institution is dependent on research as one of the wellsprings of status, something has to give. Either the institutions ceases to compete for mainstream university status, confining itself to niche markets, e.g. in skilled workplace training; or the scope for full commercialisation is constrained.

At the same time, in mixed-funded institutions operating in a neo-liberal policy environment (though not necessarily in all policy environments),

commercial markets have negative implications for the quality of teaching and learning. Once a course of study is moved into full-fee markets, the typical government takes the opportunity for fiscal savings and withdraws its subsidies, so that private revenues substitute for public revenues rather than supplementing them. In the last two decades, this has been the case in the UK and Australia: the universities have developed commercial markets, and there has been little change in total funding. In this situation, the resources available for teaching and basic research tend to decline, because universities find themselves spending a growing part of their total budgets on those corporate functions designed to augment and sustain the flow of revenues and maintain commercial reputation: marketing, recruitment, alumni fundraising, financial and asset management, quality assurance. At worst, all commercial revenues become absorbed in the cost of raising those revenues, while student-staff ratios climb upwards and the institution undergoes a crisis of identity difficult to resolve.

All erstwhile non-profit institutions face the strategic problem of reconciling their undoubted commercial potential with the logics of both status competition and academic cultures. While there is scope for varied and multiple approaches – more so in leading institutions – the options before each university and the particular resolution it chooses are inevitably shaped by its location within the status hierarchy. Hypothetically, teaching-only institutions could be fully commercialised but research-intensive universities cannot. Teaching labour can be proletarianised, as the University of Phoenix model demonstrates, but research labour can only be proletarianised at the extreme commercial/applied end of the spectrum of research and development (R & D) activity; an option more readily available in the R & D laboratories of major companies. This is because research-intensive universities must allow at least some academic staff an autonomous space for reflection and judgement, extending to judgement about the content of the research program itself; both to sustain their research reputation and to sustain the flow of their globally networked research outputs. Equally hypothetically, a research-intensive university could decouple commercial teaching services from research services by breaking the teaching–research nexus, but this would tend to undermine the status of its degree programs, which is research dependent, reducing its attractiveness to the social and academic elite. It is an unlikely scenario. Status maximising institutions are highly conservative of status. Non-profit universities can become successful capitalists only to the extent that they can decouple their commercial companies from their organisational heartland, for example by treating full-fee, international education as *sui generis*. ‘Capitalism and the market economy ... coexist and interpenetrate one another, without always merging entirely’ (Braudel, 1985, p. 36). Nevertheless, and the more so in increasingly globalised universities, it is difficult to completely separate commercial activity. Inevitably, it begins to impact the organisational culture of the institutional mainstream.

Summary: three forms of competition in higher education

As the focus moves from status competition to economic competition to capitalist competition, the classic forms of economic activity – monetary exchange, self-interested, utility maximising, individual behaviours, subsuming the product culture in the bottom line – become more apparent, as Table I illustrates. But all three levels, those of status-only competition, economic market competition and capitalist market, involve competition between producers, and also competition between consumers. At all three levels, higher education is understood as a commodity that can be secured by individuals to their private advantage. In the first instance that commodity is status. Markets in higher education rest not just on the layer of lived educational practice (like the market economy in Braudel's Europe rests on the level of day-to-day material practices), but also on the next layer, that of status competition.

	Status-only competition	Market competition	Capitalist market
Output in the form of individualised commodities	yes	yes	yes
Competition between consumers for status	yes	yes	yes
Competition between producers for status	yes	yes	yes
Buyer–seller monetary exchange takes place	no	yes	yes
Competition between producers for revenues	no	some	yes
<i>Homo economicus</i> (economic behaviours)	no	some	yes
Revenue accumulation for accumulation's sake	no	no	yes

Table I. Characteristics of the three forms of competition in higher education.

The operations of competition, especially the motivations and behaviours of producer institutions, are determined not simply by the mode of production as Table I suggests, but also by the location of producer institutions within the status hierarchy. In a system organised on the basis of market competition but not fully capitalist competition – the most common basis for system organisation in the English-speaking nations and parts of Asia and Latin America – universities are more or less status driven, more or less driven by revenues and market share, according to the options available to them. If they *can* elect to operate as high-status producers, prestigious and exclusive, they *always will* (this is another sign of the power of status); in which case they will be driven by the acquisition and reproduction of social status, and tend to see revenue raising as a means to their own reproduction and a sign of their prestige, rather than as an end in itself. If they have no other option, aspiring institutions will become commercial 'training mills' [16] at the bottom of the institutional hierarchy, where there is no status to be found or created, and revenue raising is the end in itself, however much they might dream of becoming serious players in status competition. At the bottom of the hierarchy

of institutions, places are not scarce; there is little competition between consumers for entry. At best students are focused on knowledge and skills as ends in themselves, because they are unable to invest in the co-production of valuable status goods see Figure 2).

	STUDENTS (CONSUMERS)	UNIVERSITIES (PRODUCERS)
HIGH STATUS INSTITUTIONS	<p><i>Intense competition for status</i> Have high motivation to co-produce status, hence high willingness to invest</p>	<p><i>Intense competition for status</i> Need high value consumers to reproduce institutional status. Constraints on size, real price</p>
LOW STATUS INSTITUTIONS	<p><i>Little competition for status</i> Want to acquire base-level status goods at lowest possible time and cost</p>	<p><i>Weak status but intense revenue competition.</i> Need any consumers, to maximise revenues (but may have unfulfilled status aspirations)</p>

Figure 2. How status competition in higher education varies, according to the location of the institution in the status hierarchy.

In other words, in the process of differentiating the social status held by students and universities, the competition in status also differentiates itself. The degree of intensity of status competition varies downwards, till at the bottom of the ladder status is expelled altogether. Not only is it premised on scarcity and win-loss inside the competition, it also reproduces inclusion/exclusion, creating the ultimate no-status zone outside the higher education systems altogether. Though university is built on universal systems of secondary education, in higher education the universal experience is not social or educational achievement, the universal experience is competition and the primitive binary of victory/defeat. Educational status is the zero-sum good that for most people forever dangles tantalisingly out of reach. Everyone wants it, few have much of it, some have a little of it and others have none at all. Status competition is a selective universal.

So equality of opportunity becomes translated into market equity, and the caste system returns: its smooth and continuing reproduction now managed by one of the mediums of modernity – mass higher education, which might instead have brought the great democratic heritage of *liberty, equality, fraternity* to the world. The gift of modernity is limited to this: when social caste is sustained by educational status, its passage from generation to generation is loosened, compared to earlier times. There are small gateways in the hillside. But in the marketising education systems, where the workings of competition and social differentiation are less moderated by policy intervention than they were, educational effort counts for less than in the high modern era and money counts for more, fewer poor bright students will find the way through.

A Confirmation from Economics

In 'Towards a Theory of Tuition: process, peer wages, and competition in higher education', which examines competition in the steeply hierarchical American higher education system [17], Winston (2003) draws a similar picture to that presented in this article, but using economic rather than sociological concepts. Winston notes that the 'oddly hierarchical structure' of higher education 'shapes both competition and what's competed for'. Because of this orthodox economics has hitherto not been very successful in explaining markets in higher education (Winston, 2003, p. 1). He notes that there are two different markets that can most influence the producer behaviour of individual 'schools': the market in 'peer quality inputs' and the market in 'educational services sale'. The first market corresponds to the high-status producers as identified here; the second market to those producer institutions with lesser or negligible status. The leading American producers enjoy high levels of donated wealth (endowments, donations, foundation support, scholarship funding, etc.). This factor allows market price to be varied downwards for many students fortunate to gain access to the leading institutions, so that the institution in effect pays these 'job applicants' a 'wage' to enrol. The subsidy of high-scoring students also signifies market differentiation. Once we acknowledge the role of status, the co-production of status by students and institutions, and differentiation in the role of status factors, then the peculiar character of market competition in higher education makes sense. Winston discusses the dual character of the status produced in higher education – status of the student/graduate, and status of the institution – in terms of simultaneously operating 'input' and 'output' markets:

a single event – of a student's matriculation – is simultaneously a transaction in both an input market (where a wage is paid for a student's peer quality) and an output market (where a price is paid for the college's educational services). Those two prices are obscured by the fact that the peer wage is paid in the form of a discount on the price of the educational services as well as by the fact that the schools' sales (tuition) revenues are significantly augmented by those donated resources. This framing sees a school's access to donated resources (wealth) critical in determining which market – peer quality inputs or educational services sales – will most influence its behaviour. Apparent anomalies in the product market – like queues of unsatisfied customers that persist while schools refuse to expand capacity – disappear when they are seen to be the result of an input market where a queue of job applicants is used to allow the firm to select on worker – peer – quality.

... institutional quality depends on student peer quality that can be bought only from a school's own customers Significant non-price revenues – 'donations' – break the link between cost and price, allowing for customer subsidies ... The very uneven distribution of those donative resources creates a hierarchy of firms, differentiated by their ability to compete for

peer quality. Those at the top get their students primarily through that peer quality market; those at the bottom get theirs through the market for educational services. So, what a college competes for and how it competes depends largely on its position in that hierarchy. Higher education is distinctly not an industry of homogenous firms and that heterogeneity makes a large and structural difference. Much of the competition in higher education is positional – dependant on how a school ranks in one hierarchy and how the student ranks in another. (Winston, 2003, pp. ii, 19-20)

This confirms the point that at the bottom of the status hierarchy the economic competition in higher education becomes more like a conventional economic market, shedding many of the peculiar features of status competition – though not all: low-status institutions are condemned to remain in the bargain basement, and they might be motivated by unfulfilled aspirations to move up the hierarchy of institutions. It could even be argued that at the bottom end of the economic market, investment in higher education is more like investment in human capital as the economist imagines it, in that the screening and positional functions are diminished. Nevertheless, the earnings benefits associated with qualifications are weaker and less determinant than human capital theory imagines, retarding the potential of economic calculation.[18]

This bottom layer of economic competition is more readily turned into a fully capitalist competition. The constraints that retard the full commercialisation of high-status institutions – the need to sustain the value of status, to eschew serious expansion and high-volume profits, and despite tuition inflation, to keep the costs of consumption acceptable to the most prestigious families – do not operate. On the other hand, in lower-prestige institutions, price and potential custom are constrained. Catering for those unable to access higher-status institutions has its limits, so that within the national market there are restricted prospects of high-volume profits. One possibility for commercial providers is to create a new kind of product as did the University of Phoenix in the USA; and as the corporate online providers have hoped but so far largely failed to do. Alternatively, there is the move into global markets.

Global Competition

The field of global competition in higher education is comprised by networked relationships between the different national education systems and the individual institutions within them. The network is uneven, incomplete in its geographical and disciplinary coverage, and continuously expanding. Individual institutions in the network enjoy partial autonomy as global agents on their own behalf, while also touched by nations and governments and ever subject to the flow of messages and the play of contingency. Some nodes in the network are more open than are others to external influences; and only some of the nodes are shaping of the network itself. The nations/institutions are arranged in a hierarchy in relation to each other, albeit a hierarchy that is never

completely closed. The leading American research universities constitute the global ideoscapes, the dominant models of and ideas about university education, a role that is powerfully reinforced by the weight, direction and meanings of communications and the materiality of the flows of capital. This is unsurprising: global networks are typically asymmetrical and tend to be dominated by the world leading powers that control the networks (Braudel, 1981, pp. 402, 415; Castells, 2000).

The vast majority of students continue to be educated within their citizen national systems and in response to nationally bound and locally bound signifiers of status. Nevertheless, for a growing number of students, global competition now replicates and extends national competition in higher education. In addition, global competition constitutes something novel and dynamic, especially in the capitalist form of higher education, which becomes much more important at global level. Increasingly, we find that global competition has a transformative potential that washes back to the national level and begins to supersede national competition, at least in some nations and fields of education. As discussed below, this tendency of global competition to displace national competition is notable in doctoral training and visible more generally in the emergence of a world market in elite English-language university education.

Globalisation, Nation, Institution

Trans-national educational practices have a very long history but scarcely constituted a structured global competition of providers and nations, and competition of students for access to the most favourable opportunities, until the last three decades or so. Today's global competition in higher education has two roots. The first root was the provision of scholarships enabling students, mostly from the developing world, to study in the English-language nations and in Western Europe. These scholarship schemes originated in the decolonisation programs and cold war foreign policy programs of the 1950s and 1960s, and accustomed a growing layer of families from the governmental, business and professional elites of the emerging nations to the idea of foreign study as a means to individual distinction. The second root was the movement of private students from the developing nations, especially Chinese families from different parts of Asia, to study in the OECD world. There was less policy focus on private students [19] but the private students constituted a larger group than the scholarship students. Though sometimes these private students paid full fees, often their places were fully or partly subsidised by the nation of education and subject to quotas restricting numbers. While the scholarship students were often enrolled in research degrees and expensive professional training such as medicine, private students were generally found in coursework degrees in practical fields such as business and engineering. Cross-border movements by each of these groups of students have continued until today and

constitute the dual foundation of trans-national markets in higher education in the global era.

Globalisation is shaping the development of trans-national education in several ways. First, the more general trends to accelerated people movement, and the growth of a globally mobile labour force in such fields as business and finance, technologies and scientific research and the arts, have fed directly into higher education by facilitating exchange and cooperation between universities across national borders, and by expanding demand for foreign credentials and increasing the experiential and status benefits derived from foreign study. Second, the open information environment and instantaneous communications have eased the difficulties inherent in moving across borders; it is easier to stay in touch with home base, and transfer information, so increasing flexibility; and creating a transparent worldwide network of universities, in which the leading universities are highly visible, has facilitated the emergence of a bounded trans-national market in elite higher education, and another market in commercial business education. Frank & Cook (1995, p. 49) note that winner-take-all markets are networked markets and that the larger the network, the more that the various winner-take-all effects – the concentration of status and price with the market leaders, the zero-sum character of consumption, etc. – tend to become enhanced. Third, global electronic networks reach into the heart of every nation in the main metropolitan centres, without necessarily being mediated by national governments.[20] Universities have more scope for ‘thick’ (multiple and busy) relationships across borders than at any previous time in their histories. Direct university-to-university dealings are becoming more extensive and intensive and formal networks more important (Beerkens, 2004). It is noticeable that even in nations where Internet penetration is poor, universities are among the first sectors to secure global communications linkages. As noted, such direct dealings are also facilitated by the worldwide trend to corporate autonomy in higher education.

The most globalised sub-sector is the major research universities around the world, which collaborate actively with each other as institutions and probably have more links via their specific academic units and individual faculty personnel. These research universities also tend to exercise the most autonomy in relation to national governments (though this varies by nation). Nevertheless, it would be a mistake to imagine the worldwide environment simply as a network of institutions that bypasses nation-states. Education continues to be regulated nationally. Cross-border relations are partly structured by universities, but also in the bilateral and multilateral dealings between national governments. Further, while they have plural sources of finance, universities in most countries are still resource dependent on governments. This if nothing else ensures that they continue to be affected by national policy. Further, in every country, national identity is a component of university identity, and this is more obviously the case in each university’s global dealings. As noted in the introduction, rather than it being either/or (global or national), universities are shaped simultaneously by local agency,

national policy and finance, and global flows, relationships and effects (Marginson & Rhoades, 2002; Marginson & Sawir, 2004). The three dimensions continually interact. For example, global factors increasingly influence status goods at the national level, as will be discussed; while national identity and power enter into cross-border activity and are fundamental to the hierarchy of providers and consumers constituted in trans-national markets.

Global Patterns of Student Movement

Looking at global higher education overall, it is structured by asymmetrical and uneven student flows. Individual institutions, and nations, are variously placed in the global setting. Some nations are primarily exporters, others are primarily importers. In Japan and parts of Western Europe there is a more balanced two-way exchange (see Table II). In 2001 just under three in five foreign students located in the OECD nations entered English-speaking systems. Other important subsets of the market concerned student movement from outside the OECD nations into France and Germany, and movement in and out of Japan. Another part of the trans-national flows in the OECD consists in lateral movement within Western Europe.

Figure 3 sets out the global flows of students in diagrammatic form. It demonstrates:

- The magnetic attraction of American higher education, associated with the globally superior status goods on offer there. US universities charge fees, but also offer scholarships on an extensive basis. Foreign education in the doctoral universities and liberal arts colleges is treated more as a branch of foreign aid and cultural exchange than a revenue raising operation, though a more business-like approach often applies in the two-year and other four-year institutions.
- The UK, Australia, New Zealand and Canada, sitting in the American slipstream. These nations gain a referred power as lesser English-language educational providers and sites for migration, often as a transitional stage in passage to the USA. They mostly operate on a more entrepreneurial basis than American doctoral institutions, which has enabled the rapid expansion of supply.
- The massive demand for foreign education in the Asia-Pacific nations, especially global demographic giants China and India. There is inadequate domestic capacity in nearly every Asian nation aside from Japan and Korea, and everywhere desires for foreign education as a status good. Japan is the only significant Asian provider of foreign education, mostly for China and Korea.
- The extensive student flows within Europe, that are largely of a non-commercial nature. European universities also educate many students from the developing world, for example the French institutions service francophone Africa, universities in Germany and the Netherlands are providers to Asia and Africa, and some Latin American students enter Spain.

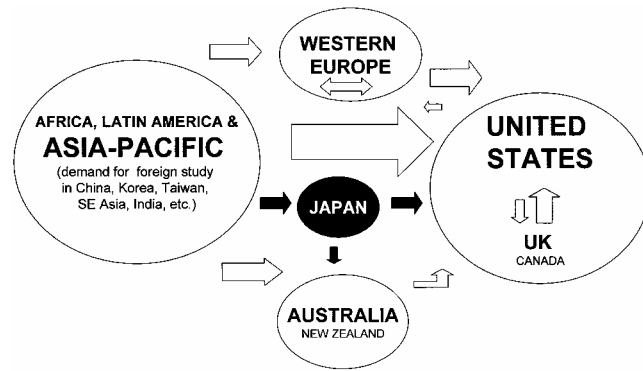


Figure 3. Student flows in the worldwide environment of higher education.

The diagram emphasises that the trans-national market in mobility is not a flat market in which all forms of border crossing are more or less equivalent. Much of the mobility appears to take a homogenous character, consisting of student movement from emerging and developing nations especially in East, South East and South Asia, into higher education in English-speaking nations led by the USA, UK and Australia. Three-quarters of students entering OECD nations from Asia enrol in an English-language system. Research on student choice making in Asia suggests that most potential students want an English-language education, and prefer the USA, which is much the largest provider (Mazzarol et al, 2001), followed by the UK, with other English-speaking nations further down the hierarchy of value.[21] Of students from Asia in 2001, 73.2% entered an English-speaking system (OECD, 2003).

OECD exporter nations	International students		Nations importing from OECD	International students	
	Number	Proportion of all students (%)		Number	Proportion of all students (%)
USA	475,169	3.5	China	124,000	n.a.
UK	225,722	10.9	Korea	70,523	2.3
Germany	199,132	9.6	India	61,179	n.a.
France	147,402	7.3	Greece	55,074	11.4
Australia	110,789	13.9	Japan	55,041	1.4
Japan	63,637	1.6	Germany	54,489	2.6
Canada	40,667	4.6	France	47,587	2.0
Spain	39,944	2.2	Turkey	44,204	2.6
Belgium	38,150	10.6	Morocco	43,063	n.a.
Austria	31,682	12.0	Italy	41,485	2.3

Table II. Principal exporters and importers of tertiary education, 2001. Source: OECD (2003).

Despite the frequent movement between contingent European countries, four of the five largest importing nations are Asian: China, Korea, India and Japan. Malaysia, Indonesia, Hong Kong and Singapore are also included in the top 20 importing nations (OECD, 2003). According to the Institute of International Education (IIE), which is a different data collection to that of the OECD, American higher education institutions educated 586,323 international students in 2002-2003 (IIE, 2003): American universities recruit students from all over the world, but most from Asia. The great majority of Australia's foreign students, 85%, are from Pacific Asia, led by Singapore, Hong Kong, Malaysia, Mainland China and Indonesia (Table III).

USA 2002-2003		Australia 2002	
India	74,603	Singapore	29,956
China	64,757	Hong Kong	26,956
		China	
Korea	51,519	Malaysia	23,725
Japan	45,960	China Mainland	19,596
Taiwan	28,107	Indonesia	11,981
Canada	26,513	India	8,390
Mexico	12,801	USA	8,325
Turkey	11,601	UK	5,752
Indonesia	10,432	Thailand	5,202
Thailand	9,982	Taiwan	3,977

Table III. Principal sources of international students, USA and Australia (2002).
Sources: Department of Education, Science and Training (2003), IIE (2003).

In the East, South East and South Asian nations there is immense potential for the further growth of demand for education as a global positional good. These nations constitute well over half of the world's population, including three of the four largest nations of all: China, India and Indonesia. Ten of the world's sixteen cities with over 10 million people are located in this region (Table IV), representing immense concentrations of present and future demand for education. Further, in many Asian nations the habit of private family investment in higher education is well entrenched. In Korea 70% of domestic expenditure on tertiary institutions is private spending, in Japan 56%, in Indonesia 56%, in China 43% (OECD, 2003).[22] In China there have been two decades of high economic growth and the nation could produce one-fifth of world GDP by 2050. Expenditure on tertiary education is relatively low and in 2000, only 8% of the school-leaver age group entered degree-level courses in China, a third of the level in Australia. Unmet demand in China will increase steeply because though China will expand and upgrade domestic provision, the growth of middle-class demand for tertiary education will outstrip the roll-out of new institutions and places. The Australian International Development Program projects that total demand for tertiary education in China will rise from 8 million students in 2000 to 45 million in 2015 (Bohm et al, 2002).

Cities projected to have more than 10 million people in 2015	Population in:	
	2000 <i>millions</i>	2015 <i>millions</i>
<i>Asia-Pacific countries:</i>		
India		
Mumbai	16.1	22.6
Calcutta	13.1	16.7
Delhi	12.4	20.9
Bangladesh		
Dhaka	12.5	22.8
Pakistan		
Karachi	10.0	16.2
China		
Shanghai	12.9	13.6
Beijing	10.8	11.7
Tianjin	9.2	10.3
Japan		
Tokyo	26.4	27.2
Osaka	11.0	11.0
Indonesia		
Jakarta	11.0	17.3
Philippines		
Metro Manila	9.9	12.6
<i>Other countries:</i>		
United States		
New York	16.7	17.9
Los Angeles	13.2	14.5
Brazil		
Sao Paulo	18.0	21.2
Rio de Janeiro	10.7	11.5
Mexico		
Mexico City	18.1	20.4
Argentina		
Buenos Aires	12.0	13.2
Nigeria		
Lagos	8.7	16.0
Egypt		
Cairo	9.4	11.5
Turkey		
Istanbul	9.0	11.4

Table IV. Mega-cities, world and Asia-Pacific region, 2000 and 2015.
Source: Asian Development Bank (2003).

Potential future Chinese demand for foreign education dwarfs the capacity of exporter countries, even the USA. Likewise in Indonesia and Thailand, unmet demand will remain high for the foreseeable future even without the extra

incentive of the positional value of foreign education. In the longer term the domestic systems in East and South East Asia will develop in resources, academic standards and prestige – as Singapore is now developing – cutting into unmet demand and reducing the positional status of some foreign education. Nevertheless, the continued global hegemony and superior wealth of the United States alone is enough to sustain trans-national mobility. The future distribution of Asian demand for an English-speaking education between the USA, UK, Australia and elsewhere is less easy to forecast. It will be determined by relative prices, prestige and entrepreneurship.

Capitalism in the Global Markets

Educational capitalism plays a much larger role in the trans-national markets in global mobility in and through education, than in the national markets in status goods. The role of capitalist modes of production and exchange nevertheless varies according to exporter nation. The UK and Australia lead the commercial vanguard. In the trans-national market in global position, the pyramid is like Figure 4.

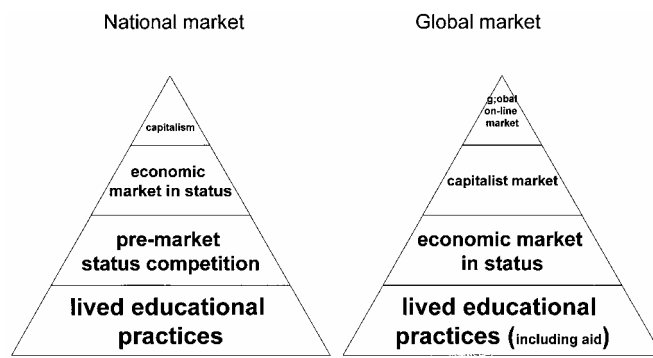


Figure 4. Layers of global educational competition compared to national competition.

In American, research-intensive, doctoral universities, foreign student education continues to be significantly subsidised from public and private sources, especially the universities themselves (OECD, 2004a). While international students experience American education as a positional market, personnel in the American doctoral institutions tend to see international education as a form of foreign aid and cultural exchange, rather than as a means of revenue raising. Thus while there is an intense domestic competition between the American universities for top students, for leading academic staff and for research resources and reputations, American universities do not approach global market competition with the same vigour. International education is marginal to the American domestic system, compared to Australia.

International students were 4.6% of American higher education enrolments in 2002-03 (IIE, 2003) compared to 13.9% in Australia in 2001 and almost 20% of all Australian students when offshore twinning, foreign campuses and distance education are fully included (Australian Education International, 2003; Department of Education, Science and Training, 2003). As is discussed below, American global educational hegemony is exercised without the need for entrepreneurial global marketing because it is sustained by American economic, technological, cultural and military power; by the extraordinary resources US universities command, and by their academic prestige.

On the other hand, some American institutions of lesser status and capacity to generate non-commercial private monies – weaker doctoral universities, local four-year institutions and two-year community colleges – are more aggressive in recruiting foreign students and less inclined or able to subsidise them. For them, foreign student education is primarily a revenue source. In the UK and Australia in the 1980s, foreign student education was transformed into a commercial market as a matter of policy; and foreign student fees make a major financial contribution. In Australia education is the third largest services export, after transport and tourism, providing 15% of university revenues. Other English-speaking nations, Malaysia and parts of Western Europe are now following the UK/Australian model. Foreign student revenues are attractive not only to institutions but to national government, which sees the potential for fiscal savings. While in these cases student recruitment is often presented as an exercise in cultural diversification and exchange, the principal motive is commercial.

Taken overall, cross-border student mobility is largely self-financed. Nearly all places for foreign students are market based, with students paying fees or receiving a fee-waiver via scholarship, and in many nations international students pay more than domestic students. (The exceptions are some non-tuition places in Western Europe, for example in Germany.) Where places are subsidised, they are normally subject to quotas, as in the USA. In the UK and Australia there are few constraints on the growth of foreign student education, which is driven by both supply and demand factors, free to expand without devaluing market values, and adds to rather than substitutes for local students. Commercial foreign education is growing much faster than subsidised foreign education. A large minority, approaching half of all foreign students worldwide, now pay commercial fees. The commercial segment of cross-border education is a rare example where American higher education norms are not dominant and non-American institutions have led the global trend. Between 1996 and 2001 in Australia foreign student numbers grew from 53,188 to 112,342 (112.2%) and by 2004 exceeded 200,000, with more than 50,000 offshore in distance education and foreign branch campuses.

The economic dynamism of commercial foreign education is remarkable. It is characterised by strategies for building market share and managing risk, major outlays on marketing and recruitment, and a willingness to circumvent established academic procedures in establishing new programs to meet foreign

demand (and in some cases to evade conventional selection requirements such as standards at the point of entry). As Braudel notes, for the capitalist mode of production both tradition and product are incidental, and so it secures the greatest freedom of movement.

A Note on Online Education

One significant aspect of the commercial market in higher education is the market in cross-border online education. This has been the subject of extensive business venturing but has generally fallen short of commercial expectations.

Online education is very efficient in purely economic terms. This is not because ICTs readily allow labour to be displaced from the teaching process, in the manner that course developers are displaced by software designers, as some early policy advocates hoped. Research finds that whatever the mode of delivery, students place a high value on interaction with their teachers and with each other. When online education is provided on the basis of reduced staff intensity, the cost saving is cancelled out by reduction in the quality of the product. The study by Bates (2001) for the United Nations Educational, Scientific and Cultural Organization suggests that online distance education of adequate quality is no cheaper to provide than is face-to-face education in on-site institutions, and it is more expensive than traditional distance education based on mail and broadcast modes.[23] Rather, ICTs are economically efficient – even when provided on the resource-intensive basis that adequate pedagogy and cutting-edge technology demand – because of the nature of ICT networks. In a networked environment, the velocity of the turnover of capital is no longer inversely related to the size of the market or the geographical dispersion of sites of production and consumption (Marx, 1973, p. 644; Marx, 1978, pp. 163-164). The number of nodes in the network can be expanded ad infinitum at a small fraction of the original unit cost, creating an ever-multiplying number of connections (Castells, 2000, p. 71). These core economics of online education suggests that in principle it should be possible to provide a common curriculum to an expanding number of sites located in every country in the world, with the rate of expansion determined by the growth of the Internet and the competition between producers. Online education would thus become the first genuinely worldwide mass market in higher education credentials, as distinct from the world market in elite university education and doctoral training, and the nation-bound national markets in face-to-face delivery. This vision has animated both the established universities and commercial producers, often in partnership with each other, as they have struggled for first-mover advantage in the e-revenue bonanza that is expected to come. Commercial hopes have been focused on Asia, particularly China, given the size of unmet demand and the willingness to invest in foreign education. In theory online education promises to deliver a reputable American or British or Australian degree to the door, without the costs of going abroad or the disruption to families and careers that follows.

However, the expected bonanza has yet to arrive. One reason is the relatively poor level of Internet penetration in most Asia-Pacific countries. In 2001, China had 26 Internet users per 1000 people. There were 57 Internet users per 1000 persons in Thailand, 26 in the Philippines, 21 in Indonesia, 13 in Vietnam, seven in India and only two in Bangladesh with a population of 132 million people. The only Internet-strong nations in Asia-Pacific are Korea, with a very high incidence of Internet penetration, web-page production and page views (Castells, 2001, pp. 207-246), Japan, Taiwan, Singapore, Hong Kong and Malaysia (Asian Development Bank, 2003). A second problem is that universities mounting online programs have blurred the distinction between the online and face-to-face products. In hoping to transfer the status value of their on-site degrees across to the online product, they have tended to claim that the two modes are equivalent, relying on quality assurance mechanisms that 'guarantee' this. But the student-consumer mostly wants the face-to-face product and is not fooled by this manoeuvre, remaining conscious of the differences in status and substance between the degrees in each mode. To this point, online offers its main potential in providing flexible delivery for working students for whom it is difficult to access face-to-face classes, and in course materials, interactive assessment, student administration and other services in conjunction with face-to-face classes. A third problem is that online foreign education accessed at home does not offer the same benefits as foreign education accessed abroad, or even in branch campuses located in the Asian country. It offers neither the same potential for migration, nor cultural immersion in the English-speaking environment, nor the prospect of moving abroad via the branch campus, nor the English-speaking classroom. These elements are central to the burgeoning global demand for foreign education. It is unlikely that excess Asia-Pacific demand can be predominantly satisfied by online foreign higher education, though online delivery will no doubt play an increasing role.

A further limitation of the online programs in cross-border education so far developed – a limitation that reflects the monocultural character of the hegemony in trans-national education – is that despite the fact they are directed at students living day-to-day in mostly Asian-language environments, these online programs are nearly all offered only in English. While reliance on English makes some (not very respectful) sense in nations with an historic association with Britain through imperialist rule, such as Singapore, Malaysia, Hong Kong and South Asia, the online education industry is almost entirely dependent on English-language materials even for the delivery into China, Thailand and Indonesia. In other words, online programs offer the downside of the monocultural global market, the difficulty of communicating and succeeding in English, but without the opportunities provided by face-to-face programs for accessing English-language culture, networks and citizenship. English might be the sole global language, but it is not a universal tertiary educational language that has subsumed all national languages to it. As noted, for the most part international education remains predominantly a global

market in the transfer of people, knowledge and credentials between nations, rather than a world market that subsumes every nation to itself. The terms in which that cross-border transfer is conducted are at least partly open and non-English transmission is viable. After all, teaching and learning continue to be locally grounded; and national language and context still matter. This suggests that unless online materials are developed on a large scale in national languages such as Putonghua (Mandarin), Hindi/Urdu and Indonesian/ Malayan, then it is unlikely that the potential market demand will be fully tested.[24] If American and British providers are unable or unwilling to do this, this provides a market opening for providers from Internet-strong nations other than the English-speaking ones, such as Korea and Japan, prepared to invest in the development of online curricula in languages other than their own. Alternatively, Asia-Pacific governments might invest seriously in the development of online curricula as a common good, with varying languages, working cooperatively through the World Bank or other agencies.

Two Kinds of Global Markets

Like the national markets in higher education, the global markets are segmented. Global segmentation is profound in that the dynamics of production/consumption in the top segment (Segment 1) are quite distinct from the rest. We can identify two distinct kinds of trans-national market in higher education, with the one market in Segment 1 located above the other market, in terms of wealth and status:

1. *the trans-national market in global mobility located below the top status level* (name as 'Other Segments' in Table V). This market does not develop by subsuming or superseding the national markets as such, even though in some national markets all institutions are overshadowed by the status accorded to trans-national providers. Rather, this market develops at the borders between national higher education systems, where these systems overlap, in the zones of mobility where students acquire status goods in the form of foreign degrees. Increasingly, provision in the trans-national market in global mobility has taken a commercial form, especially in the UK, Australia, New Zealand and among the lesser American providers. A minority of the status goods acquired in this market are provided online. In the commercial provider nations, the supply of places expands to meet trans-national demand, so that there is no absolute scarcity of places except in the more prestigious institutions. Correspondingly, access to all but the top segment of the trans-national market in global mobility is open, with the significant qualification that it is subject to private capacity to pay. This top segment constitutes a different kind of market:
2. *the worldwide market in high prestige degrees* (Segment 1 of Table V). The top segment of the market in global mobility is comprised by the leading doctoral universities around the world, defined by inherited prestige and influenced by research reputation and performance. The institutions in

Segment 1 are the American doctoral universities, Oxford, Cambridge and a small number of other English-language universities, and perhaps some European and Japanese universities and individual programs; though as will be further discussed below, at present English-language providers enjoy a decisive advantage in the competition for global prestige. In this segment places are highly scarce and do not expand to meet demand. Cross-border education in these institutions is like elite education at the national level. It is subject to the same kind of zero-sum status dynamics. This worldwide market in high-prestige degrees offers opportunities that the leading universities in other nations, however prestigious within their own national context, cannot provide. Within this world market of prestige universities there is a more specific sub-market in research/doctoral training. The increasing dominance of the American doctoral universities in research training, not only in relation to developing and emerging nations that lack an adequate research training capacity, but even among students coming from Western Europe, the UK and Australia, is rooted in the more general American global hegemony with its centrifugal attraction for the best and the brightest. It often seems that the USA is becoming the world graduate school. The world market in research degrees is particularly significant because here the world market is most clearly tending to *replace* the national competitions for doctoral status, and has the potential to limit the growth of domestic Ph.D. training in many nations.

Institutions located below Segment 1 could no doubt be ordered into more than one segment as Table V suggests. For example, the bulk of the research-intensive UK universities would probably be located in a Segment 2, in the eyes of most international students ahead of both other English-language providers outside the USA and leading Western European universities. The leading eight Australian universities would probably rank ahead of other Australian providers; most English-language and European systems would probably rank ahead of new global providers such as Malaysia; cross-border education would generally rank ahead of foreign education provided by branch campuses in the students' own nations; and face-to-face international education in all forms would tend to rank ahead of online degrees. However, more detailed data on demand, student choice and tuition prices would be needed to map these segments of the trans-national markets in detail.

Table V summarises these two different kinds of trans-national market. The dynamics of both kinds of market will now be discussed.

	Segment 1: Worldwide market in Ivy League education <i>Private non-profit and public doctoral universities in the USA, Oxford, Cambridge, etc.</i>	Other Segments: Providers located below top status in global terms <i>Trans-national education elsewhere in UK, Australia, Canada, Europe, Japan, etc.</i>
Output takes the form of individualised commodities	yes	yes
Competition between consumers for status	yes	no (there are plenty of places for those who can pay)
Competition between producers for status	yes	yes
Buyer–seller monetary exchange takes place	mostly (less in doctoral courses, often scholarship financed)	yes (with exceptions, e.g. in parts of Europe, in doctoral courses)
Competition between producers for revenues	not a major factor	yes
<i>Homo economicus</i> (economic behaviours)	no	in some nations
Revenue accumulation for accumulation's sake	no	in some nations

Table V. Different kinds of transnational market in higher education.

Providers Operating below Top Status Level

The trans-national markets in mobility in and through higher education offer both global and national position at the same time. Trans-national markets are especially important for students in nations where opportunities for upward mobility are constrained at home, but even where the number of tertiary places of good quality is adequate to meet domestic demand, as in Korea and Japan, there is strong positional demand for a foreign education as a status good. This is unlikely to diminish. Like participation in higher education itself, once the acquisition of foreign education becomes a normal practice of middle-class families, it becomes not so much a method of gaining a special advantage, as a 'defensive necessity' (Hirsch, 1976) for maintaining social position and retaining the effectiveness of the family business. Foreign education confers positional opportunities in three spheres, albeit varying by field of study and the nations of origin and education. First, a foreign education promises both skills and prestige back in the home nation. Accessing the foreign degree offers not only the credential but also the experience of having lived and studied in the foreign nation, and in the majority of cases, in an English-language environment. Second, as noted, there may be prospects of working in and migrating to the nation where the foreign education is acquired.[25] American

immigration policies encourage high-skilled graduates to stay, for example, in ICTs and research. A study by the OECD notes that of American doctoral students 60% or more of those from India, China, the UK, Peru, Iran, Greece, Argentina and Germany had 'firm plans' to stay in the USA after finishing their studies (Tremblay, 2002, p. 44). Third, there are a growing number of mobile positional opportunities in fields such as business, ICTs, engineering and technologies, and scientific research (OECD, 2002). It appears that the right kind of foreign education is increasingly attractive to students everywhere, except those from the USA, who are already placed in the global metropolis. Among American students cross-border mobility offers only slight prospects of enhanced status back home, and there is little interest in migration, though foreign experience can provide skills useful in future.

Trans-national student mobility is growing. There were 1.687 million foreign students in OECD nations in 2001, a rise of 29.2% since 1995, when there were 1.306 million foreign students (OECD, 2003). As discussed and illustrated in Table V, the trans-national markets in global mobility contain two main groups of providers with distinct modes of operation. The bulk of providers are located below Segment 1, including nearly all trans-national higher education outside the USA. Here status competition is quite different to, on the one hand the national status competitions, on the other hand trans-national competition in the leading universities in Segment 1. As noted, within the national dimension the number of high-value positional goods is subject to absolute limitations. This sets in motion the zero-sum dynamics of status competition at the national level, constraining the potential for high-fee, high-value places, and setting limits on the possible number of elite producers and the tendency of those universities to expand freely to meet student demand in the manner of commercial businesses. However, in the trans-national markets, below Segment 1, the classical forms of a national status competition that make its dynamic so peculiar – the absolute zero-sum limit to total social status available in and through higher education, co-production by student and institution not just of student status but of institutional status, institutions choosing students as well as students choosing institutions, not just competition between producers but competition between students for access to the most favoured sites for status production – no longer apply.

In Segment 2 there is no zero-sum trade-off between numbers and prestige: higher education institutions can expand their number of foreign students without devaluing the status of domestic student places. For the most part, foreign students are not competing for the acquisition of the limited social status on offer within the national setting in which they are being educated; nor do they function as co-producers of the status they acquire, benefiting both graduate and university, in the manner of domestic students. Though foreign students acquire status from the higher education institution in which they are educated, they do so without subtracting from the limited store of national status goods on offer. Rather, they acquire a new status marked 'for export only'.^[26] What drives this market is not the mutual production of status but

the exchange of status for revenues. Consistent with this, unlike the education of domestic students in some nations, little trans-national education is free of tuition charges except in cases where scholarships are provided; and in institutions located below Segment 1 the role of scholarships seems to be decreasing. In some nations, where the growth of trans-national education has been particularly rapid (UK, Australia), fees are levied at full cost levels in order to make profits; trans-national education is unambiguously a business; and foreign aid for scholarships has fallen (OECD, 2004a). Below Segment 1 the market in trans-national mobility functions much more like a conventional economic market than does national status competition in higher education, or the worldwide status competition in Segment 1.

Below Segment 1 the producer institution does not gain any particular national status benefits from educating foreign students, aside, perhaps, from the diffuse reputational benefit of being seen as a global player in an era of globalisation. Likewise, the institution gains no particular status benefit from the fact that a foreign student was a high achiever in her/his own domestic schools system: this market is indifferent to the calibre of individual foreign students at the point of entry, providing that they have achieved a minimum threshold level of competence sufficient to allow them to re-enrol each year. In the trans-national market in global mobility, the institution's primary concern is not to gain status but to gain revenues. Institutional status still matters but in a different sense: the broad status differential between institutions in emerging nations, and institutions in the provider nations, is central to the operation of the market. Provided that it carries the prestige of developed-nation status, in relation to its operations in the trans-national markets, the higher education institution will be little concerned about the finer status distinctions between it and its national system competitors [27] (though elite status provides a conjunctural advantage when marketing to foreign students). Thus as the British and Australian experiences show, a relatively low-status university in one of the English-speaking nations or Western Europe can attract large numbers of foreign degree students. Most significantly, because an expansion in the number of foreign students does not reduce the national status value of an institution's degrees, that institution is free to expand in order to gather more foreign student revenues without limit, and to operate in the trans-national market on a fully commercial basis, provided that the national regulatory framework and their internal organisation and culture permit.

This means that below Segment 1 of the trans-national markets the only ultimate constraints on supply are visa policy in the provider nations, and the conjunctural capacity of their higher education systems, which can be expanded in future. At the same time, there is no limit on potential foreign student demand, with the important exception of student capacity to pay. Unmet domestic demand in high-growth countries such as China, and the continued attractions of private positional investment in hegemonic USA and to a lesser extent the UK, Australia, Western Europe, Japan, etc., means that for the foreseeable future the demand for these global positional goods will

continue to exceed supply. In the longer term the maturation of domestic systems in East and South East Asia will reduce unmet demand for domestic education, and may diminish the attractions of some foreign education, but the lure of Segment 1 will be undiminished and below that will be sizeable other segments with continued growth potential. As long as educational border crossing in itself enables status goods to be produced and accessed, as long as a foreign education leverages upward social mobility within and between nations, there is no foreseeable limit to the growth of the trans-national markets in mobility.

Worldwide Market in High-status Goods

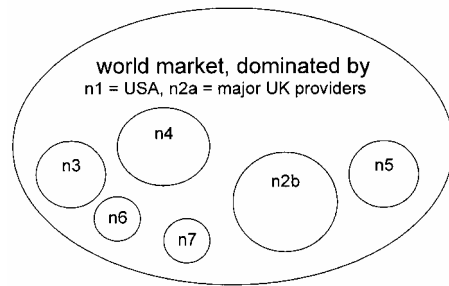
In the upper tier, Segment 1, the peak of world higher education in terms of status and resources, the traditional zero-sum dynamics of a status market reassert themselves. This is a classic winner-take-all market, in which the small edge of the very leading institutions in research performance and student entry scores translates into a substantial advantage in relative prestige. These institutions are universal signifiers of quality, opportunity and privilege in higher education, however difficult to access. Leading research universities never expand simply to meet demand. The fully commercial University of Phoenix can expand its single template without limit into more and more sites at home and abroad. But it is not a research university; it specialises in teaching and prides itself on constituting a model of university that is very different from the doctoral sector. And it takes anyone that can pay. But money is not enough to secure entry to Segment 1; for these universities the extra revenues provided by some foreign students are not crucial to their operation. Instead they take a limited number of foreign students as part of their total mix.

Thus while some foreign students pay high fees, Segment 1 is not a commercial market. There foreign students compete with each other for entry into the prestige universities in the manner of domestic students seeking access to high-status providers; while at the same time the leading universities compete for the very best foreign students. In contrast to Segment 2, foreign students must have superior academic performance to access Segment 1 and often depend on the offer of a competitive scholarship. Universities in Segment 1 gain status from their role as world leaders – though foreign students bring less status benefits to the prestige universities than do meritorious and well-connected local students – and also draw knowledge benefits from bright international students, often employing them as graduate assistants and later as doctoral graduates as part of cosmopolitan staff.

As noted, this worldwide market located in the prestige institutions includes an important sub-market, the worldwide market in doctoral training, based on the American system and peak British providers. This world market in research degrees is more like a non-market status competition as described above, than an economic market. Few doctoral students pay full cost fees. The public good element in doctoral training is reckoned significant, and the market

is heavily subsidised by government, global agencies, foundations and other donors who finance scholarships. Outright capitalism plays a negligible role. Access to these subsidies is determined primarily by academic merit, though aid policies also affect it. Students from all over the world compete fiercely for a small number of international doctoral scholarships at institutions such as Harvard and Stanford because these doctoral degrees come close to guaranteeing a high-status, high-income, globally mobile career for life. Non-commercial, exclusive, and based in the world's leading universities, it is a classical zero-sum market in status goods. It is the global market that most closely resembles the national markets in status already described. It is also the clearest example of a trans-national market where the global aspect dominates the national aspect. In doctoral training, the trans-national dimension operates not so much at the overlaps between national higher education systems, but as the container of those systems. This is especially true of systems from the developing nations but increasingly students even from nations with developed Ph.D. training capacities such as Canada, Australia and Western Europe are drawn into the American system. Local PhD training becomes a second tier, with the first tier in the USA and the UK.

National research conversations and doctoral education conducted outside the dominant language are being marginalised. Simplified, the world market in doctoral training is as in Figure 5. This figure exaggerates the degree to which the developed research training systems are subsumed into the world-leading, English-language system centred primarily on the USA. It anticipates the outcome of present trends.



More than a transnational market in cross-border global mobility between still separated national higher education systems, research training is emerging as a single world market.

Figure 5. Emerging shape of the worldwide market in doctoral training (n = national higher education system).

Though much research training takes place outside the hegemonic global core, increasingly, American higher education functions as the world graduate school. The global character of doctoral education as a worldwide market rests in part on the weight of American higher education within the global

environment, and in part derives also from the evolution of research itself. Compared to professional training which is more nation bound, research practices are less location dependent, especially in the sciences. In research and academic posts there is high people mobility, and very high mobility of ideas communicated in English. At the same time organised university research is readily subjected to the dynamics of hierarchical ranking and the concentration and centralisation of status. Though in its intrinsic character knowledge is a public good (Stiglitz, 1999), this is not true of conventionally organised university research. The logic of the global market is always to limit and centralise the distribution of status. To the extent that status is derived from the research role of research-intensive elite universities, the zero-sum dynamic works its way back into the production of research, so that in university organisation there is always a tendency to limit the number of high-quality research sites. Correspondingly, the notion of research as a zero-sum process shapes ideologies of research and knowledge, so that we assume that wisdom is naturally the property of a few leading individuals and we cannot imagine it is broadly shared. (Recognised high-quality researchers do not necessarily discourage such notions.) It is ironic the worldwide exchange of knowledge as a freely accessed public good enables and encourages a single zero-sum market in research and doctoral training where high-value goods are scarce, competitively consumed and produced, and arranged in a hierarchy of value.

Summary: national markets, trans-national education, world market

In sum, for the most part national markets remain dominant and determining of what is produced in higher education. First, most students of higher education, including students drawn from the academic and social elites, continue to access nationally based institutions. Second, those foreign students who move across national borders access not a generic global education as such, but a particular national education – albeit one that enhances their status and opportunities at home and abroad – that is unlikely to have been much adjusted to meet the specific needs of its foreign clientele. Studies of student choice indicate that in the international market, the choices made by cross-border students about where to study are closely affected by the national identity of producer institutions. The 2004 OECD monograph on the internationalisation of post-secondary education notes that:

In considering where to study the key choice factors for mobile students are, in order, country (54 per cent), course (18 per cent), institution (17 per cent) and city (10 per cent). While supporting the idea that awareness of quality (or even reputations) of institutions is mostly local (and difficult to compare across countries), it shows that international students thus tend to assimilate institutions to the country they come from and to build their perceptions on the assumption that quality depends on perceived quality of post-secondary education in a country rather than in a specific institution. This is clearly shown in a study of Chinese students who tend to separate

countries (rather than institutions) into reputation tiers. The attractiveness of a foreign post-secondary education institution will thus not merely depend on its objective quality but on the overall perception of the quality of post-secondary education in its country. (OECD, 2004a, p. 266)

To a great extent national reputation operates as a proxy for institutional reputation, unless the university is a very well-known name in its own right, such as Harvard or Stanford. Even there, as we shall see, the global reputation of the university is underpinned by the hegemonic role of the nation in which it is housed.

The global network of universities does not form a single market in which all institutions constitute alternative choices for a single pool of students – for the most part there is still a substantial separation between national markets, mobility occurs only at the margins between them, and the role of trans-national education is supplementary rather than substituting of national provision, except in the poorest developing nations. Nevertheless, within this global network the much smaller group of leading universities does constitute a single world market. To the extent that this world market in prestige degrees overshadows the prestige of national universities, it both provides a distinct product, the highest-value status goods on offer; and it reduces the value of the status goods provided at national level. Thus especially for the most affluent social groups, the world market partly displaces the goods provided at national level. In the case of doctoral education, this shift from supplementation by global providers, to substitution by global providers, is taken a stage further.

Global Hierarchy in Higher Education

As the foregoing analysis suggests, like national markets in higher education, the trans-national markets in higher education are structured as a segmented hierarchy. The global hierarchy has three main aspects. First, there are the inequalities and dominance/subordination between higher education in the developed nations and in the developing nations. Second, there is the economic, technological, cultural and knowledge power of the English language, especially in the globalising environment. Third, there is the remarkable hegemonic power of the United States in world higher education, which parallels the overwhelming dominance of the USA in ICT systems; film, television and popular entertainment; and the military sphere.

All of the major export nations and universities are located in the developed world: 93.5% of all international students are enrolled in the OECD nations. The global hierarchy is led by the universities in the United States, followed by the UK and then the other English-language nations, and supplemented by the major Western European systems, with the strong Japanese system – Japan's national universities are the fourth best in the world in research outputs – remaining *sui generis*, separated by language barriers, while playing a significant export role in East Asia. To the extent that global education functions as a status good, it rests on this global hierarchy. Most of

the students prepared to pay fees for a foreign education are from the developing world, where unmet demand is largest and there are the greatest potential positional gains from educational mobility. Within the developed world, most of the movement of fee paying students is into the USA, indicating its position at the global apex. (It is important to note that global inequality is not necessary to other forms of educational exchange, as the heavy traffic of student exchange within Western Europe demonstrates.) In contrast, students from developed nations rarely enrol in universities in the developing countries, even the strongest institutions, except as part of exchange programs. In the USA in 2000 the ratio between incoming and outgoing students was 14.6, in the UK 8.2, in Australia 19.7 (OECD, 2003).

As in the national markets in higher education, the actual operations of the trans-national markets tend to reproduce the pre-given inequalities of power, recycling the asymmetries in student flows and cultural engagement and the differentiation of power and resources across the educational world. The trans-national markets continually draw people and capital out of the developing world, and devalue the education systems of those nations. In terms of people, the net brain drain is worst in the least developed nations. On the whole, it is students from those countries that are the most likely to use the experience of foreign education to make a permanent exit into the developed world. Economically, the flow of direct revenues is largely from the developing countries to the export nations, and education aid dollars rarely compensate. Culturally, by helping to spread English language and Americanised practices throughout higher education, and devaluing all else, trans-national education markets tend to colonise non-hegemonic cultures and identities. Global higher education, like global business activity, also fosters globally connected local elites in every country, thereby widening the gap between haves and have-nots; and by providing national middle classes with a new set of local advantages in the form of foreign education credentials, it can deepen caste barriers. At the same time, as will be discussed in more detail below, the growing salience of foreign, particularly American, universities as reference points tends to other-revitalise and devalue national universities and positional hierarchies in the developing countries.

At the same time, these hierarchical effects are not closed, or impervious to the growing strength of the emerging economies in East and South East Asia. Trans-national markets involve more than the reproduction of global inequalities, and some flows of people and benefits are two-way (though it would be stretching the truth to describe them as reciprocal). The question of who benefits from cross-border educational flows is an active policy issue in many countries (OECD, 2002, 2004a, b). Where national educational capacity is inadequate to meet needs, international education, often partly financed by the students themselves, can function as a useful adjunct to national capacity; and if some of the mobile students are brought back into the national universities – and the right supporting policies are in place, such as research infrastructure – this can feed knowledge and skills into the emerging university system. Given

that global positional investment by individuals and their families is inevitable, the question for governments in many developing countries is not how to stop that investment, but how to maximise the flow-back of people, ideas and capital. In Taiwan and Korea the national economies have benefited from relatively high and increasing rates of return of graduates, and the continuing engagement of those graduates in the economies and universities of both nation of origin and nation of education. The propensity to return was originally fostered by government incentives, but the decisive element in the turnaround appears to be national economic development itself, which enabled many graduates in engineering, the sciences and technologies to leverage their foreign education at home (OECD, 2002). In the longer term a similar pattern is likely to develop in China, already a magnet for investment from the Chinese diaspora, including graduates from foreign universities. However, the reciprocation and reversal of brain-drain flows is unlikely to happen in poor nations lacking the dynamic growth rates of East Asia.

A key element of the patterns of global hegemony and hierarchy exercised in and through education is language, particularly the worldwide role of English. The acquisition of linguistic and cultural skills in English is a key objective of many students. The majority of cross-border students, including some enrolled outside the English-speaking nations themselves, in certain programs in Western European and Malaysia, are immersed in English as their medium of instruction. The global role of a language usually has implications for relations of power. English is the linguistic instrument of the Anglo-American strand of economic and cultural globalisation, and this is both reflected and reproduced in the trans-national markets in higher education.

It is English that stands at the very centre of the global language system. It has become the lingua franca par excellence and continues to entrench this dominance in a self-reinforcing process. It has become the central language of communication in business, politics, administration, science and academia as well as being the dominant language of globalised advertising and popular culture. The main language of computing is English – providing the written language for *Windows* and Internet protocols. Estimates suggest that 80 per cent of all the electronically coded information stored in the world is in English. English is also the language used for international safety procedures such as air traffic control ... In a sense this dominance is hardly surprising. As the fortunes of other languages show, language use is closely connected to the rhythms of power. English has become the native language of the two modern hegemonic powers, Britain and the USA. Moreover that power has been exercised in all domains of human life – the economic, political and military of course – but in the cultural domain as well. (Held et al, 1999, p. 346)

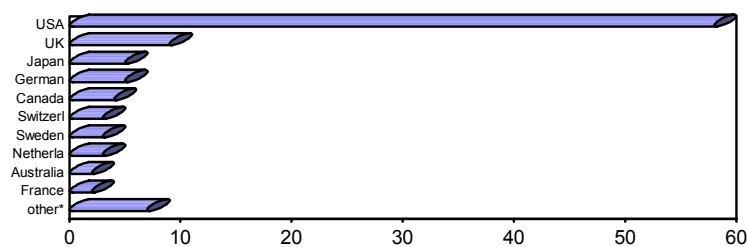
The establishment of a dominant global educational language undoubtedly facilitates the organisation of international education and has probably

accelerated its aggregate growth, even while sending that growth down narrow channels. The downside of global Anglification is the reverse of the same coin: the tendency to homogenisation and standardisation it entails. At worst, global higher education is complicit in the vicious devaluation of those local and national languages and cultures that are vulnerable to displacement. This also means displacement of the corresponding local and national identities, to the extent that these are linguistically bound. However, the growth of English as a global language in higher education does not always or necessarily displace other languages. Often, it pluralises rather than homogenises the linguistic environment, with, say, English used in research conversations and business education and the national language continuing as the medium in most undergraduate programs and institutional administration. In the global environment institutions, systems and nations need to develop linguistic plurality in order to be able to survive, advance their interests and sustain control over their own projects. But at present the linguistic momentum is all in one direction: everywhere, the rise and rise of English problematises other educational identities.

Global Anglification in higher education is associated with both a somewhat more plural conversation within English, in spite of USA and UK led standard English, and the reduction of radical cultural diversity. In the last two decades the necessity for academic English has spread with astonishing speed, and is a key issue in the higher education systems of almost every emerging and developing nation, as well as much of Europe. English has become mandatory in the research literature, overwhelmingly dominant in research training, and used increasingly in postgraduate courses and to a lesser extent first-degree programs. Along with the dominance of the language itself, there is the dominance of knowledge developed within its linguistic frame. In the period 1983 to 1985 in Western Europe and Japan, two-thirds of all books translated were translated from English into another language. In the USA a total of only 606 foreign language books were translated from foreign languages into English, while in France 3979 foreign language books were translated into French, including 2586 originally in English (Held et al, 1999, p. 346). No doubt academic English would have spread even without trans-national markets in higher education, but these markets have accelerated the trend by fostering the rapid growth of cross-border education in the medium of English, and consequently by norming the English language curriculum among a growing number of doctoral, undergraduate and Master's students, many of whom bring those norms back to their own nations.

Within the English-language group of export nations, the role of the United States is overwhelmingly dominant. The trans-national market in Australia has expanded very rapidly, and the UK is an important global player, but the USA is the global giant, especially in Segment 1 of the market, the high-status end where status goods are scarce and highly valued. The United States dominates the worldwide list of leading universities. In 2003 the Shanghai Jiao Tong University Institute of Higher Education compiled a ranking of world

universities based on research and academic performance. The criteria were the number of Nobel laureates associated with the university, the number of highly cited researchers (1981-1999), articles in *Nature* and *Science* (2000-2002), articles cited in the science index and the social science index, and academic performance per academic staff member using the above indicators. The Shanghai Jiao Tong University Institute rankings underline the global academic domination exercised by American and to a lesser extent British universities. Of the top 20 universities, 15 were from the USA and four from the UK. There was only one other nation in the top 20, Japan via the University of Tokyo. Of the top 50 universities, 35 – *more than two-thirds* – were from the USA. Of the top 101 universities, 58 were from the USA and a further nine from the UK – altogether, two-thirds of the top 101 universities were from these two countries. When Canada and Australia are added, almost three-quarters (73) of the top 101 universities were from the English-speaking countries (Figure 6, Table VI).



*Norway, Denmark, Finland, Italy, Austria, Israel, Belgium each one. Actually 101 universities as three tied for 99th place. Source: SJTUIHE 2003.

Figure 6. The world's top 100* universities, based on research performance: distribution by nation.

The world's top 101 universities in 2003 included five German universities, five from Japan, four from Canada, three from each of Switzerland, Sweden and the Netherlands, and two from Australia.[28] Japanese universities perform well in research, at both the peak of the Japanese system and in the large number of high performers: nine in the top 150, and 36 of the top 500 research universities, despite Japan's cultural distance from the American system: Japanese researchers read and write in English, but use little conversational English. Most other universities in the top 101 (19 out of 28) were from nations of Central and Northern Europe, in a related cultural zone. Unlike Japan and the USA, in these European nations all universities are expected to operate in the same world-class segment. Unlike Japan, several are now widely using English-medium instruction, especially in research (doctoral) training and in coursework Master's programs for international students.

As noted, comparative research performance is highly significant in determining the status of universities. Elite research performance sustains global leadership. It is a magnet for student demand and the most important single ingredient in a university's national and international reputation as perceived in government and industry, not to mention popular culture. However, the Shanghai data measure just one of the elements that contribute to competitive status, not status as such, which can only be fully assessed by directly measuring subjective perceptions. There is no such compilation on the world scale: it is likely that if there was, American universities would be even more dominant.

	Institution	Nation		Institution	Nation
1	Harvard	USA	51	Case Western Reserve	USA
2	Stanford	USA	52	NC, Chapel Hill	USA
3	California IT	USA	53	Osaka	Japan
4	UC, Berkeley	USA	53	Pittsburgh	USA
5	Cambridge	UK	55	Arizona	USA
6	Massachusetts IT	USA	55	Bristol	UK
7	Princeton	USA	55	New York	USA
8	Yale	USA	58	Heidelberg	Germany
9	Oxford	UK	59	Uppsala	Sweden
10	Columbia	USA	60	Technical U Munich	Germany
11	Chicago	USA	61	Rice	USA
12	Cornell	USA	61	Carnegie Mellon	USA
13	UC, San Francisco	USA	63	Oslo	Norway
14	UC, San Diego	USA	64	Tohoku	Japan
15	UC, Los Angeles	USA	65	Paris 06	France
16	Washington, Seattle	USA	65	Copenhagen	Denmark
17	Imperial College	UK	67	Virginia	USA
18	Pennsylvania	USA	68	Nagoya	Japan
19	Tokyo	Japan	68	Sheffield	UK
20	U. College London	UK	70	Roma, La Sapienza	Italy
21	Michigan, Ann Arbor	USA	70	Texas, A&M Uni College Station	USA
22	Wash., St Louis	USA	72	Rochester	USA
23	Toronto	Canada	72	Paris 11	France
24	Johns Hopkins	USA	74	Helsinki	Finland
25	Swiss Fed IT Zurich	Switzerland	75	Maryland, Coll. Park	USA
26	UC, Santa Barbara	USA	75	Florida	USA
27	Wisconsin-Madison	USA	75	King's College London	UK
28	Rockefeller	USA	78	Leiden	Netherlands
29	Northwestern	USA	79	McGill	Canada
30	Kyoto	Japan	80	Purdue W. Lafayette	USA
31	Colorado, Boulder	USA	81	Ohio State, Columbia	USA
32	Vanderbilt	USA	81	Utah	USA
32	Duke	USA	83	Tufts	USA
34	Texas, SW Med	USA	84	Vienna	Austria
35	British Columbia	Canada	84	Groningen	Netherlands

36	UC, Davis	USA	86	McMaster	Canada
37	Minnesota,	USA	87	Michigan State	USA
38	Rutgers, New Bruns.	USA	88	UC, Riverside	USA
39	Karolinska I	Sweden	89	Manchester	UK
40	Penns., S-U Park	USA	90	Iowa	USA
40	Utrecht	Netherlands	91	Göttingen	Germany
40	Southern California	USA	92	Melbourne	Australia
43	Edinburgh	UK	93	Lund	Sweden
44	UC, Irvine	USA	94	Hebrew U Jerusalem	Israel
45	Illinois, Urbana-C	USA	95	Free U Berlin	Germany
45	Zurich	Switzerland	96	Basel	Switzerland
47	Texas, Austin	USA	96	Illinois, Chicago	USA
48	Munich	Germany	98	Boston	USA
49	Brown	USA	99	NC State, Raleigh	USA
49	Australian National	Australia	99	Ghent	Belgium
			99	Emory	USA

Table VI. World's top 101 universities ranked on research and publications, according to the Shanghai Jiao Tong University Institute of Higher Education (2003). Source: SJTUIHE 2003

The *US News and World Report* (2003) includes in its ordering of American higher education not just research performance but subjective rankings by peers, academic resources, student selectivity and graduation rates, a more comprehensive measure of market power.[29] But exchange value is not the same as use value. Reputation and price do not necessarily correlate with quality of product. The Shanghai measure based solely on research and publication is a better surrogate for academic quality.

It is significant that no measures of teaching quality are included in either the Shanghai rankings or those from *US News and World Report*. It is difficult to gather standardised data on teaching performance for comparative purposes; and in any case, as noted, judgements of teaching quality (unlike research quality) are over-determined by the pull of reputational factors, whereby quality is aligned with elite institutional status. There is no global status hierarchy or world market in teaching.

Global Markets and National Markets

The different zones within a world economy all face towards one point in the centre: thus 'polarized', they combine to form a whole with many relationships. (Braudel, 1985, p. 35)

An increasing number of elite students are moving across borders; there is a mass educational movement out of East, South East and South Asia into the OECD zone; and lesser movements out of Latin America, Central Asia, the Middle East, Africa and from Europe; the aggregate size of the global market is growing; in the networked higher education environment all institutions are more visible and the global hierarchy becomes especially obvious. Given the

growth of trans-national education, the gravitational pull of the global hegemon, the United States, and the emergence of a world market centred in the leading English-language universities, what is happening to national markets? How are they being shaped and reshaped by globalisation, and what factors determine national variation in this process of global shaping?

The national–global interface is a tense and dynamic zone. Globalisation not only creates new material potentials for many institutions – foreign students, research activity, new languages of instruction, ideas for organisation – it washes back into the structuring of national systems, with potential to reshape every national hierarchy, except, perhaps, that of the USA. The effects of global markets on national status competition and markets are magnified even as mobile students as a proportion of local population increase, more active cross-border links are created, and ICT systems are rolled out locally. The precise manifestations of global effects are affected by how much independence individual institutions exercise in the global sphere, by whether they are positioned as autonomous quasi-firms or as policy agents of the nation-state. Institutions are more nimble than nations, and this facility matters more in the global environment, which frees up institutions as autonomous agents to a certain extent, all else being equal. But nations carry more weight than individual institutions. Every on-site university continues to be affected by its national location, which not only determines its geo-strategic starting point in the global competition, but in large part constitutes its conditions of operation.

In the United States the most active commercial universities are private for-profits. Apart from the University of Phoenix, their size within the USA is relatively small. In the UK and Australia most of the universities active in the commercial market in trans-national education are public-sector institutions.[30] Though capitalist-style expansion is blocked within the national competition by the tendency for the unit value of the status goods to fall, no such obstacle exists in the global market; and the public universities within their own countries become private capitalists in all other jurisdictions abroad: the global–national interface operates as a commercial/non-commercial interface. These institutions develop a schizophrenic organisational culture in which academic units mostly function in traditional terms, while university executive leaders have at least half a mind on the university-as-business. International activities are often managed by separate commercial companies, so as to minimise internal tensions and maximise operational commercial freedom. National policy makers continue to regulate the education of domestic students while granting the universities a greater freedom in the commercial international sphere. But with the growth of commercial cross-border education and commercial research, the barrier between the less than fully capitalist national status market, and the more commercial global markets, tends to weaken. In some universities, organisational strategies premised on quarantining the global realm break down. Practices developed in the international sphere increasingly tend to

drive university strategy and contaminate local cultures, the more so as institutions are transformed by global 'ideoscapes' (Appadurai, 1996) and increasingly dependant on global capital flows.

Correspondingly, the rapid growth of commercial trans-national education and the emergence of a worldwide market of elite institutions have effects that work their way back into the national competition between institutions for status. The positive/negative potentials are ambiguous and depend on the starting position of the institution and the nation, and the strategic acumen of both sets of leaders. At best, the trans-national market in global mobility creates for all institutions new opportunities for strategic development. The global sphere offers potential for many new common goods and market goods. Institutions can specialise in international partnerships, ICT-based linkages, international marketing or a more cosmopolitan curriculum. Institutions find themselves operating in more than one sphere, using the outcomes of strategies in one sphere (resources, networks, reputation) as inputs to their operations in the other. The potential winners are those universities locked out of the elite segment of their national systems that can use the new global strategic options to position themselves as providers of valuable status goods for students from elsewhere, on an expanding scale. At best, forward-looking institutions can use local destabilisation and global strategy to decisively break through the constraints of national segmentation. They face new tensions between domestic investment paths and global investment paths [31] but if all goes well they can strengthen both material position and status and so lever themselves up the national positional hierarchy. Within each nation there is space for only some to do this, given that most revenues continue to be sourced not globally but nationally from government grants for research and teaching and locally from student fees. Even in export-oriented Australia, only 15% of total university revenues derive from foreign students; while research institutions spend more on their globally linked activities than they generate from them in revenues. Those institutions that place an especially marked emphasis on global activity [32] are often unstable in resource terms. The potentials to play the global card so as to gain higher national position are greatest in nations most open to global influences and standards, and in institutions strong in research, given the centrality of research to global capacity and relationships.

At worst, the emerging world markets in elite degrees and doctoral training have the potential to lower the status of whole national systems and undermine the established national institutional leaders. There is a wash-back effect from the global markets into national markets. As noted, the growing salience of global reference points, particularly the market leading universities in the United States, tends to revitalise and devalue the positional hierarchies in the developing countries. For the first time, a foreign education is on the agenda of middle-class families everywhere. By bringing a new and superior layer of high-value positional opportunities within view (if not necessarily within reach), this relativises the local Ivy League. The global market disturbs

the traditional conservatism of national positional markets: suddenly, once venerable and unchallengeable universities become less attractive and more vulnerable; undermined by the gravitational pull of the global markets, the global character of research and judgements about the value of knowledge, and the in-your-face visibility of American institutions in a networked era. This affects both the leading universities in developed nations such as Australia, which at least are global players in their own right, and the leaders in developing countries where institutions lack the resource capacity and the national geo-strategic power to make the transition to a larger global role, and on the whole face weakened options and more constraints in the global era. Marginalised within the new global higher education networks, and losing status in the eyes of their own national governments, they lack the funds essential to global modernisation (Marginson & Sawir, 2004). An increasing number of bright local students and strong researcher-scholars move from the leading national universities to world-leading universities. For students and especially bright research students, the pastures are greener in the global metropolis. For staff, the world leaders offer not just higher status but higher pay, better research infrastructure and a central location in the main intellectual conversations of the day.

In other words, once the point of reference is global rather than national, a university's national position is over-determined by the global position occupied by its nation within the global higher education environment. By devaluing existing higher education systems in the developing world, the trans-national market re-subordinates within the global setting that part of the local middle class left behind in the national system, and the weakening of leading national institutions deforms national capacity in higher education, which is crucial to national development. Nevertheless, the wash-back effects of global positional competition on national competition and national policy are no more equal or uniform than is the global market that generates them. Some local traditions are more robust than others, some nations and some institutions are more open to global influences than are others; and the capacity to pursue a proactive global strategy is unevenly distributed. Further, national governmental strategies have a potential to affect the outcome. Some national governments underpin the forward strategies of their leading institutions in the global setting (the wisest policy), some offer domestic protection from those same global market forces [33] and some unwisely leave it to the market to sort them out. In most nations – except those with the weakest higher education systems, where a wholesale reinvention is possible, fragile plants in scorched earth – the national positional competition remains the main game in town. Leading institutions still hold more card than the others, even in the developing nations, and can shore themselves up using strategies of national reinvestment, and/or global partnerships and presence. The difference is that they no longer set the whole horizon of possibility. The ultimate constraints are now set by global segmentation, where the pecking order of nations is decisive and in the

medium term the dominance of the American universities seems unchallengeable, except perhaps from the peak of the UK.[34]

In sum, the global markets in higher education are structured differently to the national market in most nations. Both levels of markets rest on a substratum of lived educational practices. But whereas in many national markets an important role is played by status competition that is free or largely subsidised by government, there is much less provision of this kind at the global level, where it is restricted to research scholarships. Both levels include a substantial component of fee-based education in which competition takes the form of an economic market, but in the global market this zone of buyer–seller relations is much larger, and a major part of it consists of fully commercial educational provision. Outright capitalism plays a minor role at the national level, though this has been advanced by spillover effects from the global commercial market. However, at both levels *elite* higher education is structured as a competition in status goods, not primarily as an economic competition. There is an absolute scarcity of high-value places, the consequent barrier to expansion, and competition between students as well as competition between producers.[35]

The dynamics that are typical of a status market affect national markets not just at the top but at lower levels. This is not the case in the international market, in which zero-sum dynamics are confined to the world market of leading institutions, and the levels below have free rein to operate on a commercial basis. As long as there is global inequality in higher education provision (and indeed, as long as places to live are differentially valued), students will be able to gain status by crossing borders. There is no obvious limit to the number who can do so without devaluing the positional benefits that cross-border mobility offers. The fact that the trans-national market has developed on the borders of the different national systems retains a certain heterogeneity between the different sites, preventing the formation of a single unified world market, except at the top where the world market in elite institutions is found. In the global markets foreign students make status judgements about education in the different export nations, but are not closely driven by the relative exclusiveness of individual institutions, which they often know little about – again, except at the top level – and are more likely to be affected by relative cost than is the case for students in the national market. For their part, institutions operating in the trans-national market gain not so much status through a process of co-production with students, as revenues. Cross-border education below the elite level, along with local and nationally based vocational education, are the sub-sectors of higher education that come closest to a conventional economic market.

Free of the full implications of zero-sum status competition, while offering a diverse set of routes to upward mobility that are only imperfectly integrated with each other, trans-national education offers a superior potential for ‘win-win’ outcomes among producers and among consumers. It is also expensive for the consumer families, and it creates a new layer of educational

have-nots lying outside it; it could scarcely be described as democratising. It is likely however that in the field of trans-national education severe limits to expansion in the number of non-Americans in the Ivy League institutions will force the development of the global positional market downwards through the American and perhaps UK hierarchy; colonising an increasing number of institutions worldwide and over time creating a more extensive one-world hierarchy governed by the 'win-lose' principle of the typical status market.

American Global Hegemony

American institutions exercise worldwide dominance not just because they are strong institutions but because they are American. Despite the growing role of direct university-to-university dealings and World Wide Web semiotics, so that leading universities appear as free-wheeling global actors scarcely bound by place, American institutions are what they are because of their national context, and the relationship between their nation and the rest of the world. Their global dominance rests on factors specific to the nation: not only American global power as noted, but the cultural coherence and the structured inequality of the American national market in higher education. The concentration of competition for social status within the doctoral university sector and elite liberal arts colleges augments their social role, ensuring they receive the great bulk of the vast public and private resources applied to American higher education. This includes the accumulated private fortunes, partly derived from past American global power, that are channelled into universities via philanthropic donations, alumni support and grants from private foundations. This non-commercial private income is one key to the global role of American universities, not just because of the effect on incomes as such, but because these monies are not tied to client relations with students, sale of services to industry or performance obligations to governments. Non-commercial private income strengthens institutional autonomy and this provides more favourable conditions for academic freedom.

The American national market exercises its global hegemony on the basis of both national cultural coherence and American structural coherence. Culturally, American higher education is singular, coherent and highly assertive. Structurally, it is vertically differentiated in status, and fragmented between state-based, public-sector universities and the smaller group of world-leading Ivy League universities that exercise national and global leadership. In one sense it is scarcely a market at all, in that only about 35% of the total costs are met by students (Hill et al, 2004). At the same time American higher education is highly competitive and singularly focused on status goods; and the economic factor is not negligible: it produces very real price barriers and augments the concentration of resource pools in the private sector that underpin the highly differentiated elite layer. However, it is held together as a single national/global market by the federal loans system, which facilitates both horizontal choice making and student mobility upwards through the

system. The establishment of the loans system was the decisive factor in the formation of the national market in its contemporary form. In turn this creates the bases for the exercise of America's global role in higher education.[36]

American 'exceptionalism' in higher education lies in the unique combination and inversion of national and global roles that global hegemony produces. In American higher education the national element tends to subordinate and constitute the global element. In every other nation, the reverse is the case. Likewise, the flows of people, capital and ideoscapes are inverted. No foreign ideoscapes flow into American universities, creating new ways of thinking. The crisis of confidence engendered by the early Soviet victories in the space race is in the distant past. What is national in America becomes the global in the rest of the world. What is national in the rest of the world is subordinated to the American national-global project. No reverse colonisation is possible; nothing subordinates that American project. While the rest of the world is opened up to American universities, they themselves remain opaque to deeper foreign influences, like a darkened pane of glass that sustains only one-way vision. Student flows are almost as asymmetrical. As noted in 2000 the American ratio between incoming and outgoing cross-border students was 14.6 (OECD, 2003). Alone of all the systems in the world, American universities are entirely self-referenced; there is no outside 'America' against which they must be measured. Meanwhile, the national character of US universities translates seamlessly into global power without any interruption to internal self-referencing. Globalisation is what American higher education does to the world, not what world higher education does to America.

Global power in higher education is asymmetrical not only in the direction of people movement, capital flows and ideoscapes; and in the distribution of resource, research activity and status, but in the openness/closure of its component parts. American universities do not have to adjust their programs or cultural ambiance to attract international support. American higher education does not need to sell an internationalised curriculum; they simply provide the American curriculum as the de facto global curriculum. American universities do not reach out to engage the rest of the world. They simply make themselves available, freely offering their own national self as the global template. But the imperial power, which demands that all other sites in the world should be opened to itself, to study and exploit, does not provide reciprocal access with the humility that all others are expected to display. Hegemonic powers do not voluntarily give up their hegemony. American higher education does not need higher education in other nations, except to the extent that their talented staff and students are absorbed into the USA. Both US higher education and US film/television are immensely shaping in much the same manner. The cultural flows are largely in one direction. In film 'the US market remains domestically dominated', while import penetration of American cinema elsewhere continues to increase (Held et al, 1999, p. 356). There is the same bottom line in both film/TV and in higher education. Other subjectivities are not admitted. American cultural closure is a

sign of power, like the gated estates in American cities. American higher education practises its immense cultural power in a one-way transfer of perspective, through academic intercourse and in the advice given to system reformers in other nations. The other in higher education becomes homogenised, Americanised, but American subjectivities remain protected. They remain themselves. Perhaps all imperial powers are like that to some extent, though some are more genuinely plural. American higher education is wide open to the passage of people, but almost closed to different perspectives.

American universities do not trawl the world's universities to gather foreign insights or new agendas but to draw the most talented foreigners into its own projects. American higher education opens to foreign influences only in order to absorb them and triumphantly reproduce its hegemony. American higher education is considerably more cosmopolitan than American society or government, but in the exercise of global hegemony it operates to the national norm. In American universities, difference expressed outside this national norm is pushed to the margins, just as the education of foreign students is pushed to the margin of the main game in higher education that is the distribution of domestic status. Inside American universities pluralism is played out within the iron constraints of a self-absorbed national culture, in which 'diversity' is structured merely as the ongoing alternation between the subordination of African-Americans and its resistance. Working in the rest of the world, American institutions are not culturally plural but singular.

Global Trade and Social-global Power

Braudel remarks that for emerging capitalism in Europe, long-distance trade was 'the strategic position *par excellence*' (Braudel, 1982, pp. 374, 400). 'Like the most active cities or the most important merchants, the most profitable commodity traders operated over enormous distances. Distance is a constant indicator of wealth and success' (Braudel, 1982, p. 190). In one respect foreign student education is a global market that Braudel would recognise, in another it is not. Braudel would recognise the dynamism of the growth of cross-border education, where the commercial market is premised on inequality – not just in the sense that like all markets it involves unequal exchange, but in the sense that the market is premised on global hierarchy. Global inequality between developed and developing world is *necessary to* the commercial market in international education: it creates the product itself, and sustains operating conditions favourable to exporters. The greater the extent of global inequality and educational backwardness, the greater the gains made in border crossing and the more the potential for export profits.[37] As Marx notes:

Capital invested in foreign trade can yield a higher rate of profit ... because it competes with commodities produced by other countries with less well developed production facilities, so that the more advanced country sells its goods above their value. (Marx, 1981, pp. 344-345)

The global inequality necessary to the market extends not only to the distribution of economic and educational resources and global social status, but to political rights. Once foreign students leave the nation of origin where they enjoy citizenship rights, they set aside any potential to claim a citizen's intrinsic right to education. With the interesting exception of students in the European Union, students that cross borders cease to be political subjects and become mere economic subjects, with consumer rights but no right to free or subsidised places in higher education. Thus there is little buyer resistance to the full commercial costing of foreign higher education.

On the other hand, in Braudel's globalising Europe the world of economic trade and exchange was trumped by the world of high capital, that came to constitute the new social elites in each nation, shaping the hierarchy for and to itself. In the contemporary world of higher education globalisation has created a commercial market in traded educational status goods, but this commercial market is led by second-level powers; and above it globalisation has constituted a dominant layer of world leading universities, centred on American doctoral universities and the top British providers, where mere money is not enough to gain power. The hegemonic social and national power of the leading institutions has deeper roots. The capitalist factor recedes. To the extent that global social hierarchy is shaped in the education market, another competitive dynamic is at work. The free commercial expansion of foreign education as global status goods and opportunities for mobility in the developed nations, where the simple difference between developed and developing world is enough to sustain the market, gives way to orthodox high-status production. Notwithstanding that some foreign students in the American Ivy League pay full fees, the factors typical of the leading universities in national markets – absolute scarcity, non-expansion, hyper-competition among students for the most valued places, fine-grained distinctions of value between the different producers and different student investments – are reasserted (Figure 7). Few foreign student places are available for the many applicants and if anything competition is sharper even than among domestic students. And as noted, while the elite universities draw status benefits from educating foreign students from other national elites, and also benefit from the research work of bright foreign graduate students, they gain less status from foreign students than from the domestic academic and social elites. In other words, in foreign student education there is a lesser potential for the co-production of status, especially in the USA, where status goods are always primarily nationally rather than globally referenced. (To be best in America is, after all, to be seen as 'best in the world'.)[38]

Thus on one hand, in the institutions below Segment 1 the dynamism of the commercial market in foreign education encourages a more general corporatisation and commercialisation of the individual universities engaged in that market, if only to facilitate overseas operations, with potential to transform the internal culture of universities. In Australia both corporate reform and internationalisation are well advanced (Marginson & Considine,

2000). But on the other hand, in elite universities where status production remains supreme and is partly sourced in more traditional academic cultures, this transformative dynamic is moderated. As noted, universities in a position to choose always seem to opt for positional exclusivity above free revenue raising (though many university leaders naturally want both). Ultimately, nothing stops elite universities from increasing the unit revenues from foreign student education by raising its price – subsidised scholarships are a policy convention not an economic or social necessity – but the barrier against expansion of numbers is decisive. Once again we find that at the commanding heights of higher education, the global heights as well as the national heights, the ultimate horizon of value, the determining factor, is social status rather than economic revenues.

	STUDENTS (CONSUMERS)	UNIVERSITIES (PRODUCERS)
Worldwide markets (Segment 1 of transnational market, plus research training)	<i>Intense competition for status</i> Have high motivation to acquire status, hence high willingness to invest	<i>Some competition for status</i> High value consumers marginally augment institutional status, more so in the UK than the USA. Constraints on numbers and real prices
Segment 2 of transnational market	<i>Little competition for status</i> Want to acquire high value status goods at lowest possible time and cost, do not need to compete for commercial places	<i>Weak status but intense revenue competition. Need any and every consumer to maximise revenues</i>

Figure 7. Characteristics of the markets in transnational higher education.

Perhaps China might pioneer a model of elite university education with lower levels of public and private subsidy than the United States, tending to full commercialisation; but such universities would still be subject to constraints on wholesale expansion of the franchise. This leaves potential for a commercial elite model drawing super-profits, like a diamond mine operating on the basis of lucrative but restricted annual production, with a somewhat larger intake of foreigners than the other elite universities. But it seems that this is as far as capital can run. Where positional goods are at stake – where social reproduction is made explicit – the old capitalist dynamic of modernisation over and against traditional power is inverted. Amid dynamic global motion and the incessant encounters with national variety and cultural complexity, the leading universities reproduce their traditional users and so reproduce themselves. In the last analysis, despite neo-liberal rhetoric, the hopes for more open meritocracy via trade liberalisation are defeated. The intensification and economisation of status competition in education support the social and global status quo, especially in the hegemonic educational superpower, the United States. No doubt this conservative outcome explains the policy hegemony of neo-liberalism in higher education.

The Equality Project

In educational policy making and (with honourable exceptions) in research on higher education, there is a tendency to ignore status as an indicator despite the massive and obvious weight of social status in educational competition and despite the focus of official policies in creating and intensifying educational competition. This happens even in progressive circles. Neo-liberal marketisation raises sharper questions about social inequality in higher education, in two dimensions: equality/inequality of access to opportunity, and equality/inequality of the opportunities themselves. All else being equal, economic markets are associated with greater social inequalities of access in systems mediated by the private capacity to pay, so that access is more steeply stratified on social lines; and with a steeper hierarchy of institutions, so that what is accessed is also increasingly stratified. As Bastedo & Gumport (2003) point out, the equality project in education is still mostly defined in terms of 'access in general', rather than 'access to what', and 'who gets what', which are the real issues. There is a tendency to ignore the hierarchy of institutions, as if all institutions were equivalent and interchangeable, obscuring the fit between the social hierarchy of students and the producer hierarchy of institutions. Yet this is what makes competition turn.

A further and decisive complication to the old post-Second World War project of equality of opportunity in education lies in the effects of globalisation. The traditional equality of opportunity project was intrinsically nation bound. Its conditions of possibility no longer exist. In all nations other than the USA students from socially and economically elite groups can access self-financed global opportunities that are superior to those ordered within the national market; while in the export nations foreign students can often buy their way in to opportunities superior to the quota-regulated and merit-assigned places provided to local students. Given this cross-border mobility it is no longer possible to engineer an egalitarian settlement at the level of a single nation [39], any more than it is possible to manage a national economy as a closed system on Keynesian lines with restricted cross-border financial flows.

In sum, the old equality of opportunity project is now in terminal crisis, and will continue to be undermined by heightened status competition, markets, cross-border leakages of people and resources, and global commercialisation. Nevertheless, the national allocation of opportunities could be made more equal than it is at present in most nations, providing both the global and the national dimensions are taken into account. Further, in the global setting the citizen right to education, and the democracy forming role of higher education, could be made universal throughout the world – albeit over a protracted time and with considerable difficulty. This suggests that the old educational equality project could be recast as a global project that is focused on evening the educational hierarchy between developed and developing world, in the manner of national equality of opportunity programs prior to the neo-liberal era, that were designed to spread and open up the availability of

high-quality universities; and creating a more globally balanced map of high-quality producers in which the unhealthy American global dominance in higher education is reduced.

In national policy, governments could focus directly on building the quality of their lesser-status universities and particularly the research capacity of those institutions. At the same time there are new issues to address in relation to the equality of opportunity of both national populations and cross-border populations: the social and gender composition of national students moving offshore, including the role of parental income and social status in determining opportunities, on the one hand to sponsored schemes, on the other hand to full cost places offshore; the effect of income differentials in governing the global opportunities of students from developed and emerging economies, and gender patterns in their participation in global markets; the need to establish equity between local and cross-border students in access to high-demand courses and institutions; national equity between students accessing scarce places in national universities (for example, in prestige professional training in medicine or law) and students who 'queue jump' by accessing such programs offshore; and the effects of differing fee levels and incentives schemes in shaping differentials in the participation of local and foreign students in doctoral training in export nations (OECD, 2004a). These issues can be addressed by a combination of policies on student grants and loans, with transparent discussion of selection systems and quotas. Often such policies require hard decisions on limited resources: for example, the choice between supporting a small number of students at a relatively generous level, and spreading subsidies more thinly across a large number of students and thereby encouraging maximum quantitative change at the expense of more effective targeting.

On the global plane the developed nations and universities, particularly the American state and individual American institutions, could play a positive role by assisting in the construction of advanced university systems in the emerging nations in the manner of the Marshall Plan reconstruction of the Western European economies after the Second World War. This requires the reassertion of aid programs in international education on a scale sufficient to reverse the present global drift from aid to trade objectives, particularly in the commercial exporting nations and the USA, where international aid for post-secondary education is relatively low. At the same time a more balanced global environment does not have to be engineered by aid alone – the continued economic development of emerging nations in East, South and South East Asia, and the convergence of European institutions within a common template for degrees provide favourable conditions for a more healthy global system. Singapore is positioned effectively as a knowledge economy hub, furthered by its careful control of foreign university presences in the island state. The planned development of a world-class sector in China has some way to run but creates very significant possibilities, including the possible evolution of Putonghua (Mandarin) as a second global higher education language. The East

Asian nations between them are gathering an impressive capacity in higher education: Japan is fourth nation in research, Korea also has a strong national infrastructure and Taiwan is developing research strengths. Japan and Korea have yet to develop the necessary multiple linguistic capacity or to open up their systems effectively to the cross-border flow of people and ideas, attributes required for global effectiveness. There are also historical barriers to cooperation within East Asia that are still to be overcome.

More radically, we can advocate policies that reassert the public good aspects of both international and national higher education, so that there is less at stake in educational competition: for example, the postponement of watershed social selection until later in the educational process and preferably until regulated labour markets are reached; the broadening of the number of and access to educational status goods; the de-marketisation of credentials by asserting generic degrees as opposed to narrowly targeted vocational degrees; and the implementation of policies designed to foster cultural diversity in higher education on both national and global planes, including the maintenance and use of non Anglo-American languages and cultures. In sum, higher education could be used as an instrument for creating greater global equality and more symmetrical development as freedom (Sen, 1999), rather than, or solely as, a win-lose instrument of global hegemony and profitability premised on the continued exploitation and subordination of the developing nations, and the exclusion of large parts of the population in the global metropolis from social status. This is to imagine a different world from the one we live in at present.

Notes

- [1] An early version of the article was presented to an internal seminar at the Centre for Higher Education Policy Studies (CHEPS), University of Twente, Netherlands, 10 May 2004, and the revision was informed by comments from those present. Grateful thanks to Guy Neave, Marijk van Wende and the other staff and students of CHEPS. Another antecedent of the article was the 2003 Radford Lecture to the annual conference of the Australian Association for Research in Education.
- [2] The quantitative data are drawn principally from the Organisation for Economic Co-operation and Development.
- [3] For more discussion from an ever-growing literature on this topic, see for example Beerkens (2004).
- [4] For a more extended discussion see Held et al (1999). Later (p. 16) they define globalisation in more precise terms as 'a process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions – assessed in terms of their extensivity, intensity, velocity and impact – generating transcontinental and interregional flows and networks of activity, interaction and the exercise of power'. The understandings of globalisation developed by Held et al (1999) and, with some qualifications, by

Castells (2000, 2001) and Appadurai (1996) have informed this article; for more discussion of theorisations of globalisation and higher education see Marginson & Mollis (2001), Marginson & Rhoades (2002), Marginson & Sawir (2004).

- [5] For further discussion of ‘mode of thought’, see Dow (1990).
- [6] For one application of this glonacal analytical heuristic see the comparison of the global strategies of national universities in Indonesia and Australia in Marginson & Sawir (2004).
- [7] “The worst error of all is to suppose the capitalism is simply an “economic system”, whereas in fact it lives off the social order, standing almost on a footing with the state, whether as adversary or accomplice: it is and always has been a massive force, filling the horizon. Capitalism also benefits from all the support that culture provides for the solidity of the social edifice, for culture – though unequally distributed and shot through with contradictory currents – does in the end contribute the best of itself to propping up the social order. And lastly capitalism can count on the dominant classes who, when they defend it, are defending themselves’ (Braudel, 1985, p. 623).
- [8] Technically, economic markets can only recognise tradeable goods, i.e. aspects of education that can be recognised as individualised commodities possessed by the purchaser. In the organisation of education as an economic market there lies an inherent tendency to neglect collective outcomes of education and those benefits transferred to other individuals as ‘spillovers’. Unless these aspects are formally recognised and supported financially – for example, government subsidies of the public goods produced in higher education – they will tend to be underprovided. When education is organised as a commercial market, in which government subsidies and unproductive costs are anathema, the narrowing effect is complete.
- [9] Given the salience of the research role of universities in signifying the status hierarchy in higher education and hence in regulating the market in credentials, especially the high-status credentials produced by American universities, it is unlikely that the principal role in research will shift from higher education institutions to business research and development, as is sometimes suggested.
- [10] Numerous examples could be provided. One is the behaviour of universities in Australia where there are two rounds of selection for school leavers. The double selection was established to cater for the fact that students do not always take the particular places they are offered in the first round. However, some universities deliberately minimise the size of their first-round intake to boost the minimum student score ostensibly required for entry. The first-round cut-off score is the conventional indicator of the intensity of demand and the status of the course and institution. Subsequently, these institutions take a substantial number of entrants in the second round, offering some additional places, at much lower levels of score.
- [11] In the United States the number and make-up of the leading Ivy League universities has been largely constant since the First World War; though it is interesting to note that within the Ivy League group, the position of public

institutions has deteriorated relative to private institutions, following three decades of policy making in favour of the private sector (Pusser, 2000).

- [12] Another example of the use of social convention to modify a positional market is the price of scarce concert tickets for highly popular entertainers. This price is normally fixed below the market clearing rate.
- [13] Another case in point is Malaysia, where 0.6% of GDP – much less than the investment in private tutoring in Korea, but still considerable – is allocated in government scholarships, grants and loans to students and families with *bumiputra* ethnic identity to secure for them a disproportionate control over tertiary places and professional jobs (OECD, 2003). As with the private investment in tutoring in Korea, much of this Malaysian public investment in social position ends up in someone's pocket and fails to find its way into common educational facilities – institution-based resources that are broadly available and can be drawn on for the production of a variety of common and market goods. To the extent that the monies *are* fed back to institutions in the form of subsidised tuition fees, the targeted character of the funding ensures that the benefits are confined to some at the expense of others.
- [14] For a fuller discussion of this socioeconomic logic of networks, see Castells (2000, pp. 501-502).
- [15] Australian universities now exhibit entrepreneurial behaviour on a broad basis. The period since 1990 has been marked by a spirit of enterprise and expansion, led by executive leaders whose power within institutions has grown relative to traditional academic authority. In executive circles, the model of university as competitive business is influential. Universities have sharply increased fee-for-service teaching and consultancy; the hire of facilities; marketing and student recruitment, especially outside Australia; corporate structures to finance and market research, and manage commercial teaching; partnerships with other universities and corporations, fundraising from many sources; financial planning and controls; asset management and investment. There are visible tensions between the business model of university organisation, and academic cultures. Among academics the incidence of entrepreneurial behaviours varies by field. It is strongest in the fields most successful in market terms, business and ICT (Marginson & Considine, 2000).
- [16] The expression is used for the large low-quality commercial training sector in the Philippines.
- [17] For more discussion of the structures of US higher education, see below.
- [18] Figure 2 is a necessary oversimplification, designed to draw out the contrast between high-status and low-status institutions. In status competitions/markets in the real world, many institutions are found somewhere in the intermediate zone of the hierarchy of producers, perhaps combining high-status programs such as law schools with lower-status programs that are more readily accessible. Thus a large comprehensive institution may combine within its different units both higher-status and lower-status behaviours: this creates ambiguities and may lead to contradictory strategies, signals and behaviours across the institution. Nevertheless, in every

national higher education system there is a layer of unambiguously high-status 'Ivy League' institutions, where scarcity of places is universal or near-universal, the degree confers an unambiguous status benefit on every student-consumer, and the institution's whole *modus operandi* is shaped by its overall position in the hierarchy. On the other hand, whether or not there is a layer of unambiguously low-status producers depends on such factors as the overall scarcity of higher education places, the relationship between higher education and other sectors, the level of public funding, and government policy on the level and distribution of material quality. In systems where there is a layer of low-quality/low-status producer institutions, this is often a partly deregulated commercial sector, as in Brazil, the Philippines and the United States. In many other nations, however – including Western Europe and the English-speaking countries other than the USA – government policy provides a *de facto* 'floor' under system quality. This does not prevent a downward movement in the 'floor' but it prevents the free fall of quality in individual institutions.

- [19] For example, in the USA foreign aid and development strategy have always been the dominant influences in policy making and institutional practices in trans-national education.
- [20] In this respect the present experience of globalisation is different from that described by Braudel, the formation of the first worldwide trading empires being based on ocean-going navigation. Then, international relations were conducted on the trading periphery and the core national institutions could if they choose retain a critical distance from it (Braudel, 1985, p. 18). In an era of electronically networked communications this is no longer possible. No agency can be both powerful and insulated from the global environment.
- [21] There are exceptions to this generalisation: for example, Indonesian students often opt for Australia as a high-status provider.
- [22] Even in Malaysia, Thailand and India, where the rate of household investment in the national system is much lower, many middle-class families have become accustomed to investing in international education.
- [23] Bates argues that the main virtue of online education is that it broadens the quality of the educational experience, making use of Internet-based sources and new interactive modes of teaching and assessment.
- [24] Arguably, the English-language domination of web pages and Internet software in education and other fields has not only retarded potential demand for international online education, but has slowed the roll-out of Internet capacity itself (bandwidth, telecommunications, satellite, cable) in many Asia-Pacific countries.
- [25] Note that some students pass through more than one foreign nation while acquiring global status goods: for example, a student from the People's Republic of China who enrolls in a first degree in New Zealand and subsequent postgraduate studies in the USA.
- [26] On the other hand, the dynamic changes when a significant proportion of graduates seek migration status, the more so if the educational institution is selling its degrees primarily as a route to migration. Such institutions, which

run the risk of devaluing the national standards of their degrees, and also their international reputation, by doing this, tend to be located at the lower end of Segment 2 within each provider nation.

- [27] Unless it is located in Segment 1, where the domestic and worldwide systems are one.
- [28] The Australian National University at equal 49 and the University of Melbourne at 92.
- [29] Interestingly, the ordering of American universities by the Shanghai Jiao Tong University Institute as listed here differs significantly from the top 30 listed by the *US News and World Report* (2003). When moving from the wholistic market rankings used by the *US News and World Report*, to the pure measure of academic research performance used by the Shanghai Institute, several American private universities fall sharply – for example, Princeton drops from first American university to sixth American university, Duke University from equal 5th to 25th, Dartmouth College from 9th to equal 63rd, Rice University from equal 16th to 43rd, Brown from 17th to equal 49th, Emory from equal 18th to 61st, Notre Dame from equal 18th to outside the American top 100. Meanwhile, the University of California public system moves from two universities in the top 30 American universities, to six universities in the top 30, and UC Berkeley moves from 20th position in the USA to 4th in the USA and in the world. With a few exceptions such as the University of Virginia, that slips from 23rd to 45th, the American public universities tend to do much better when the measures are confined to the research and publication record alone, as in the Shanghai rankings.
- [30] Though the formal legal status of the British universities is semi-private, they continue to be regulated by national legislation as before.
- [31] For national governments, there are novel questions about the mix of common and market goods produced; the more so because the global sphere in education has so far been treated primarily as a market sphere – the main multilateral negotiation via the World Trade Organization/General Agreement on Trade in Services imagines global education as a trading environment – and there is no international forum which might discuss a carve-up of ‘global public goods’ (Kaul et al, 1999) that would protect the strong and the developing world alike. It is every nation for itself, and for policy makers the question becomes how best to draw national common goods from the global operations of each university without inhibiting its freedom of action.
- [32] Such as RMIT University and Central Queensland University in Australia.
- [33] In many countries, protecting the strength of leading institutions is a key objective of policy. Those institutions can be shored up by intensifying their national positional value via competitive entry, or strong government investment in the science-based disciplines; both of these factors apply in the national universities in Japan. In Malaysia, despite the high reliance on foreign tertiary education, at undergraduate level the nationally dominant *bumiputra* are channelled into the leading public universities. This maintains the prestige

of those institutions. The Chinese and Indian families make heavier use of undergraduate foreign education. The *bumiputra* benefit from government-funded scholarships for foreign education at postgraduate stage, offered to university academics and public servants marked out as future leaders.

- [34] The foregoing analysis suggests a number of ongoing research projects for empirically tracking the effects of globalisation in global relations of power: 1. investigation of the balance of student preferences between foreign universities and nationally based universities, in terms of variations in students by nation, age, sex, field, etc.; 2. monitoring of the incidence, role and character of university networks that are non-English speaking, and the use of languages other than English in cross-border higher education; 3. investigation of patterns of movement of students and staff into the USA: can we empirically identify tendencies to the global concentration/accumulation of academic talent in the United States? 4. more generally, research on what is happening to the stronger universities in the developing world.
- [35] In a small minority of countries, the national market more closely resembles the global. For example in Japan, the leading institutions are the government-funded national universities, the site of fierce status competition but distanced from the commercial model. Below that is a large layer of private institutions, some of which are commercial. The private sector, structured as an economic market, enrolls more than 70% of students.
- [36] If European education is to expand its global role so as to be competitive with American higher education – as the Bologna Declaration suggested – then one feature of the American market might be worth imitating, the creation of a single loans system sustaining free mobility across the continent. This might be a short route to the creation of a unified European system. The creation of such a European market would, nevertheless, create new downsides that would be more likely to be restrained in a European policy context than an American one, for example by measures to sustain equal access and maintain a uniform floor of quality, and to render the weaker institutions and nations less vulnerable to net brain drain.
- [37] Likewise, within national markets the most favourable conditions for commercialisation are present when systems are marked by extremes of inequality, such as very weak domestic coverage (e.g. Brazil), gross unevenness in the material quality of institutions (e.g. the Philippines) or hyper-competition between students and hyper-segmentation between institutions (e.g. Japan).
- [38] At the same time, in the elite American universities there are probably more price constraints on foreign than domestic education, given the aid character of many foreign students' places, and constraints on numbers are very severe because of the priority given to domestic students. Both factors enhance the value of the status benefits gained in foreign student education in the USA.
- [39] With the partial exception of the USA, where outward mobility is minor.

References

- Appadurai, A. (1996) *Modernity at Large*. Minneapolis: University of Minnesota Press.
- Asian Development Bank (ADB) (2003) *Key Indicators of Developing Asian and Pacific Countries 2002*, Volume XXXIII. Manila: ADB.
- Australian Education International (2003) Data on international education in Australia, and the principal source countries for foreign students in Australia. Available at: <http://aei.dest.gov.au/AEI/PublicationsAndResearch/ResearchDatabase/Default.htm>
- Bastedo, M. & Gumpert, P. (2003) Access to What? Mission Differentiation and Academic Stratification in US Public Higher Education, *Higher Education*, 46, pp. 341-359.
- Bates, T. (2001) *National Strategies for E-learning in Post-secondary Education and Training*. Fundamentals in Education Planning No. 70, International Institute for Education Planning. Paris: United Nations Educational, Scientific and Cultural Organization.
- Beerkens, E. (2004) Global Opportunities and Institutional Embeddedness: higher education consortia in Europe and Southeast Asia. Doctoral thesis, Centre for Higher Education Policy Studies, University of Twente.
- Bohm, A., Davis, D., Meares, D. & Pearce, D. (2002) *Global Student Mobility 2025: forecasts of the global demand for international higher education*. Canberra: IDP Education Australia.
- Braudel, F. (1981) *The Structures of Everyday Life*. Volume 1 of *Civilisation and Capitalism 15th-18th Century*, tr. S. Reynolds. New York: Harper & Row.
- Braudel, F. (1982) *The Wheels of Commerce*. Volume 2 of *Civilisation and Capitalism 15th-18th Century*, tr. S. Reynolds. New York: Harper & Row.
- Braudel, F. (1985) *The Perspective of the World*. Volume 3 of *Civilisation and Capitalism 15th-18th Century*, tr. S. Reynolds. New York: Fontana Press.
- Castells, M. (2000) *The Rise of the Network Society*, 2nd edn, Volume I of *The Information Age: economy, society and culture*. Oxford: Blackwell.
- Castells, M. (2001) *The Internet Galaxy: reflections on the Internet, business and society*. Oxford: Oxford University Press.
- Clark, B. (1998) *Creating Entrepreneurial Universities: organizational pathways of transition*. Oxford: IAU Press/Pergamon.
- Department of Education, Science and Training (2003) Higher education statistics collection. Available at: www.dest.gov.au/highered/statinfo.htm
- Dow, S. (1990) Beyond Dualism, *Cambridge Journal of Economics*, 14, pp. 143-157.
- Frank, R. (1985) *Choosing the Right Pond: human behaviour and the quest for status*. New York: Oxford University Press.
- Frank, R. & Cook, P. (1995) *The Winner-take-all Society*. New York: The Free Press.
- Held, D., McGrew, A., Goldblatt, D. & Perraton, J. (1999) *Global Transformations*. Stanford: Stanford University Press.
- Hill, C., Winston, G. & Boyd, S. (2004) *Affordability: family incomes and net prices at highly selective private colleges and universities*. Discussion Paper Number 66r, Williams Project on the Economics of Higher Education. Williamstown: Williams College.

- Hirsch, F. (1976) *Social Limits to Growth*. Cambridge: Harvard University Press.
- Institute for International Education (2003) Data on foreign student education in the United States. Available at: www.iie.org/Content/NavigationMenu/Research_Publications/Study_Abroad_Statistics/Study_Abroad_Statistics.htm
- James, R. Baldwin, G. & McInnis, C. (1999) *Which University? The Factors Influencing the Choices of Prospective Undergraduates*. Evaluations and Investigations Program, Higher Education Division, Department of Education, Science and Training (DEST), 99/3. Canberra: DEST.
- Kaul, I., Grunberg, I. & Stern, M. (Eds) (1999) *Global Public Goods: international cooperation in the 21st century*. New York: Oxford University Press.
- Keynes, J. (1936) *The General Theory of Employment, Interest and Money*. London: Macmillan.
- Marginson, S. (1997) *Markets in Education*. Sydney: Allen & Unwin.
- Marginson, S. (2003) Higher Education Reform in Australia – an evaluation, in H. Eggins (Ed.) *Globalisation and Reform in Higher Education*, pp. 133-163. Buckingham: Society for Research into Higher Education/Open University Press.
- Marginson, S. (2004) National and Global Competition in Higher Education, *Australian Educational Researcher*, 31(2), pp. 1-28.
- Marginson, S. & Considine, M. (2000) *The Enterprise University: power, governance and reinvention in Australia*. Cambridge: Cambridge University Press.
- Marginson, S. & Mollis, M. (2001) 'The Door Opens and the Tiger Leaps': theories and reflexivities of comparative education for a global millennium, *Comparative Education Review*, 45(4), pp. 581-615.
- Marginson, S. & Rhoades, G. (2002) Beyond National States, Markets, and Systems of Higher Education: a glonacal agency heuristic, *Higher Education*, 43, pp. 281-309.
- Marginson, S. & Sawir, E. (2004) University Leaders' Strategies in the Global Environment: a comparative study of Universitas Indonesia and the Australian National University, *Higher Education* [accepted for publication]
- Marx, K. (1973) *Grundrisse*. Harmondsworth: Penguin.
- Marx, K. (1978) *Capital, Volume 2*. Harmondsworth: Penguin.
- Marx, K. (1981) *Capital, Volume 3*. Harmondsworth: Penguin.
- Mazzarol, T., Soutar, G., Smart, D. & Choo, S. (2001) *Perceptions, Information and Choice: understanding how Chinese students select a country for overseas study*. Canberra: Australian Education International, Commonwealth of Australia. Also available online at: www.dest.gov.au
- Organisation for Economic Cooperation and Development (OECD) (2000) *Korea and the Knowledge-based Economy: making the transition*. Paris: OECD.
- Organisation for Economic Cooperation and Development (OECD) (2002) *International Mobility of the Highly Skilled*. Paris: OECD.
- Organisation for Economic Cooperation and Development (OECD) (2003) *Education at a Glance*. Paris: OECD.
- Organisation for Economic Cooperation and Development (OECD) (2004a) *Internationalisation and Trade in Higher Education*. Paris: OECD.

- Organisation for Economic Cooperation and Development (OECD) (2004b) *Trends and Policy Issues in International Quality Assurance, Accreditation and Recognition of Qualifications*. Paris: OECD.
- Sen, A. (1999) *Development as Freedom*. New York: Anchor Books.
- Shanghai Jiao Tong University Institute of Higher Education (2003) *Academic Ranking of World Universities – 2003*. Available at: <http://ed.sjtu.edu.cn/ranking.htm>
- Slaughter, S. & Leslie, L. (1997) *Academic Capitalism: policies, politics and the entrepreneurial university*. Baltimore: Johns Hopkins University Press.
- Smith, A. ([1776] 1979) *The Wealth of Nations*. Harmondsworth: Penguin.
- Stiglitz, J. (1999) Knowledge as a Global Public Good, in I. Kaul, I. Grunberg & M. Stern (Eds) *Global Public Goods: international cooperation in the 21st century*, pp. 308-325. New York: Oxford University Press.
- Tremblay, K. (2002) Student Mobility between and towards OECD Countries: a comparative analysis, in Organisation for Economic Cooperation and Development (OECD), *International Mobility of the Highly Skilled*, pp. 39-67. Paris: OECD.
- US News and World Report* (2003) *America's Best Colleges*. Washington.
- Winston, G. (2003) *Towards a Theory of Tuition: prices, peer wages, and competition in higher education*. Discussion Paper Number 65, Williams Project on the Economics of Higher Education. Williamstown: Williams College.

SIMON MARGINSON is Professor of Education at Monash University in Australia, and Director of the Monash Centre for Research in International Education. He is currently supported as an Australian Professorial Fellow (2003-07) to investigate higher education and international education in the global context. His books include *The Enterprise University* (Cambridge University Press, 2000, with Mark Considine).

Correspondence: Professor Simon Marginson, Faculty of Education, Monash University, Clayton Campus, Wellington Road, Clayton, Victoria 3800, Australia (simon.marginson@education.monash.edu.au).