

Higher education and knowledge as a public good

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[opening University of Bologna]

Thank you indeed. It is a pleasure to be here and to talk about the public good, the missing piece of our political culture, though the larger good has been integral to every higher education institution in the world since the founding of the University of Bologna in 1088.

[title slide]

Thank you Liviu for inviting me in, and trusting me not to bore the good folk of KCL senseless for 40 minutes. I hope I can live up to this expectation!

[content slide]

This is what I will cover today. The public good is gone missing from the affairs of state. Then what higher education does, and can do, much of which might be called 'public good'. But public good is largely unrecognised in our policy systems, in which higher education is imagined as a consumer market, like a sort of giant Tesco where you choose between Tesco finest, Tesco organic and Tesco ordinaire. That is, if Tesco finest hasn't been snaffled up already. The unrecognition of public good is the core problem, so I will go on to talk about the conceptual tools that are used to interrogate and identify 'public' production. And the distinctive Anglo-American focus on one set of tools, the public/private trade-off in economics, which elevates private pecuniary benefits while concealing almost everything else. I discuss the problems that this has created. Finally, the closing remarks will reflect on ways to reinsert public good into the higher education policy equation and public debate.

[1. Where is the public good in Anglo-American policy and politics?]

What are the burning issues in higher education? Value for money, so-called low value courses, so-called cancel culture and the so-called threat to free speech. Really? The public purposes of higher education are scarcely discussed, except in relation to participation and equity. Higher education is not alone in this. Public good is eclipsed in other domains also.

[The Guardian on US abortion]

Consider the horrendous abolition of a woman's right to choose in the US. I am going to generalise freely across the Anglo-American countries, all of which I know, except Canada. The US, UK and Australia share a common difficulty in working with the concept of the public good, the common substitution of the capitalist market in place of social purposes, and a high level of convergence in policy thinking about higher education. The US is more extreme in all areas, but remember that unscheduled abortion is prosecuted in the UK.

[The Guardian on US climate ruling]

In the UK the evacuation of public values is led by the ruling party and resisted by many in the courts. In the US it is led by the Supreme Court, which in its decision on EPA regulation of industrial emissions chose the capitalist market against than the sustainability of the eco-system - and hence the longer-term conditions of existence of the market. It moved decisions on carbon from a government regulator prepared to act, to a Congress where politicians are bought by donors and the fossil fuel lobby controls both sides of the aisle.

[The Guardian on Sheffield Hallam's withdrawal of the English Literature degree]

Given the consequences that Supreme Court decision is insane. There's nothing mad about Sheffield Hallam's decision to shut down English literature. It was a logical response to policy. Under government rules universities face penalties if fewer than 60% of first degree graduates are in graduate jobs (a slippery indicator), or studying for a further degree, within 15 months of graduating. The cultural vandals are in Westminster not Sheffield. But again, where's the public good? Ministerial rhetoric suggests universities that provide alleged low value course are deceiving students. Does anyone really think that students entering English lit, or drama, or media studies in regional universities don't understand their situation? That they expect to earn like finance graduates in London? Students choose non-vocational specific courses, anywhere, because they want to do them, or they are good at them, and because all degrees augment personal agency and lives. Often these graduates go on to other, more vocationally targeted qualifications. Before that, they may need to earn money, whether in a recognised professional occupation or not. These graduates finally end up pursuing a huge range of occupations and roles. There's nothing new or sinister about this. Why should Sheffield Hallam students have less choices than KCL students? Why should the value of their education, to them, be reduced solely to graduate earnings? And what is done to the common culture and shared knowledge when it is calibrated in these terms and its distribution is restricted, so that the study of English literature is confined to tier one?

[Crisis of the collective]

We have a crisis of the collective.

[Crisis of the collective – with text]

At the heart of state policy what C.B. McPherson called 'possessive individualism' is supreme, as it is in politics itself. All value is individual value and individuals are positioned in competition with each other and ranked in an unstable and nervous hierarchy. This is the higher education and it makes it difficult to find the public good.

[2. What does higher education do (much of which might be 'public')?]

Let's turn from today's events and the froth of political debate, where truth is rarely found, and explore another pathway into the problem of higher education and public good. Let's look at what higher education actually does, and can do, its social functions and roles.

[Intrinsic and extrinsic functions of higher education]

There are two kinds of activity in higher education.

[Intrinsic and extrinsic functions of higher education – with text]

It is crucial to distinguish between the *intrinsic* contributions of higher education, manifest in the core education function, and the central role of knowledge, and the *extrinsic* contributions which higher education makes jointly with agents in other social sectors. The intrinsic internal functions are integral to and distinctive to the sector. Though they rest on conditions provided by others, especially funding, performance in teaching, learning and knowledge is the responsibility of higher education alone. While other organisations carry out parallel activities, none does so in the same way. In contrast, in the case of the many

extrinsic functions of higher education responsibilities are shared. Like the intrinsic functions, the relational extrinsic functions include benefits to both individuals and society.

[Education: holistic self-formation of students through immersion in knowledge]

The education function entails more (and also less) than ‘employability’. Higher education cannot create jobs or guarantee graduate employment, except in a handful of professional domains. What it does do is provide conditions for student learning, development and life trajectories – for the self-formation of students as reflexive and self-determining persons. Student self-formation occurs via immersion in complex bodies of knowledge. This knowledge also entails social values, and students build skills in social relations. One of the oddities of regulation is that it does not focus on intrinsic student learning or on the long-term effects. It focuses on proxies like early graduate earnings, partly determined by factors other than student learning. It focuses on the extrinsic function of graduate employment which higher education does not control, not on the intrinsic function of student learning.

[Knowledge: global science papers in Scopus grew by 5.15% a year between 2000-2020]

Both teaching/learning and research typically entail immersion in knowledge and original scholarly work feeds freely into both domains. Unlike certified tertiary learning, research is not a near-monopoly of higher education. Many institutions other than universities also carry out research. Nevertheless, higher education leads in published global science and its codification. Research performance calibrates the academic profession and shapes national and global university hierarchies. Nevertheless, unlike the education function, university research, especially science, is regarded by almost all policy economists as a public good.

[The extrinsic functions of higher education (shared carriage of outcomes) include:]

The extrinsic contributions of higher education are vast and varied. They include the effects of higher education in constituting employable graduates, whose ‘human capital’ augments economic productivity and prosperity, market forces willing. They include the provision of a framework of social opportunity and the allocation of graduates to social positions; the formation of graduates as collectively responsible and politically engaged citizens; the many contributions of higher education to individual and public health; its effects in fostering social tolerance, and international engagement and awareness; its effects in social and scientific literacy and the diffusion of technological innovations; its contributions to the cultural life of cities, nations and global publics; and the contributions of learned intellectual sensibilities to critical thought, social reflexivity and transformation. Walter McMahon provides a comprehensive accounting, using economic values. He argues that most of these outcomes are public goods in the economic sense. Other economists are less inclusive.

[The transition to work needs a social partners approach. ‘employability’ has tied up and gagged higher education. It is a policy trap]

The point that I want to emphasise is the shared responsibility for the extrinsic functions - whether they are benefits for individuals or collective benefits. English higher education has been made wholly responsible for extrinsic graduate outcomes, yet cannot determine them! Graduates want jobs and higher education institutions, which help them to build their agency, knowledge and skills (the intrinsic work of the sector), want them to succeed. But graduate employment is partly determined by social background and networks, and regional

labour markets, and ultimately resolved by employers. It needs a social partners approach. Consider the logic of this policy. In a severe economic recession, more and more courses fall below the threshold percentage of graduate jobs. People will have less work opportunities *and* less educational opportunities because the closure of local programmes.

[Social and economic Inequalities cannot be overcome by higher education alone]

Likewise, social and economic Inequalities cannot be overcome by higher education alone. Equity in higher education requires a whole of government and whole of society approach, including an egalitarian schooling policy, Rawlsian equity that favours 'lower tariff' tertiary institutions, more equal income determination, policies of tax/spend redistribution, wealth tax, generative industry and employment policies, regional development policies. Social equity is a profoundly important collective good and higher education can make a difference but only if there is genuine policy commitment to the public good. Which takes us back to the core issue. Why does our political system find it so difficult to focus on the public good?

[3. How is public good in higher education identified?]

How then is public good in higher education identified? What are the available tools?

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

First, a remark about the political culture, which will help to make sense of what follows. In Euro-American or 'Western' societies and political systems there is a prior separation between the individual and society. These societies also operate on the basis of divided powers, the legacy of the post-Roman division between church and state, autonomous medieval cities and merchants, the evolution of law and electoral politics as both outside and joined to executive authority, and later the participatory public assembly. The role of the state is constrained, enlarging the space for the economic market, civil association and the private household. The state is internally divided between executive, legislature and judiciary. The boundary between the state and other spheres is always tense and unstable, and anti-statism is a core theme of political discourse, especially in the US. There is a corresponding ambiguity and instability in approaches to the public good, and whether it lies in the state or the absence of the state, especially in Anglo-American countries.

[The conceptual toolbox: Euro-American ideas of 'public' and 'private']

The meanings of public and the public/private pairing are multiple, diverse and confusing. (This also signifies the centrality of public/private issues in the political culture). The meanings of 'public' fall into three categories. The first meaning is a noun referring to a condition of shared universal beneficence, as in 'the public good'. In the second use, 'public' is a descriptive adjective that signifies open and inclusive social relations, if not universal communicative relations within the given bounds of a society or polity, for example 'public opinion'. The third meaning and the one most important in higher education policy is the dualistic pairing of public with private as an analytical device. 'Public' and 'private' are two mutually exclusive halves of a whole and the relation between them is determining.

[a. The normative-universal public good]

First, the universal public good.

[a. The normative-universal public good – with text]

The universal ‘public good’ is rhetorically powerful. It is often invoked. Like appeals to beauty and truth, a claim based on the public good is hard to refute. Such claims tend to lack purchase, however. The universal public good can mean almost anything: Prosperity? Social order? Peace? Democracy? Equality? Sustainability? This concept provides little policy guidance - *unless* there is definition of the social purposes and values entailed in the public good, and unless the agents responsible for the public good are identified. Are those agents in the state or civil society? Or some combination of the two? And what kind of state?

[UNESCO’s education as a common good]

In 2015 UNESCO tackled these questions with its notion of ‘the common good’, as distinct from the ‘public good’. It also discussed education’s role in furthering the common good. This idea draws on West European traditions of solidaristic and participative social relations, as manifest in Northern Italian cities – a collective approach to building community in which people share welfare while exercising individual human rights. The common good is shaped from the bottom up by self-determining communities. Higher education helps to form and enable democratic communities in which each person has a voice. UNESCO emphasised that civil and private organisations can contribute, though commercial participation may have to be monitored by government to ensure it contributes to whole community interest.

[B. the communicative relational public]

The second meaning of ‘public’ available to us I call the ‘communicative relational public’. This is a large inclusive domain, universal to a single society or polity. The practice had one origin in the citizen assembly of the European cities, but arguably, its primary starting point was the assembly of citizens in the French revolution. This later morphed into the electorate with universal suffrage, which was able to move seamlessly into ‘public opinion’. The communicative inclusive public has now morphed again into the networked public fostered by the platform capitalists, which can spill over national borders. The control exerted by Facebook and Google, which parallels the power of the older media to shape public opinion, underlines the limitation of this kind of public. It is inclusive but not equitable. It can scarcely claim to regulate the public good, though it can foster debate about it.

[Habermas’s ‘public sphere’ is a critically-minded version of the relational public]

The full sized ‘communicative relational public’ is too large for higher education to contain, but its institutions have communicative potentials as public actors. Jurgen Habermas coined the notion of a ‘public sphere’ located between civil society and the state. His example was in late seventeenth-century London with its salons, coffee houses and broadsheets, which together constituting public opinion and provided a critical reflexivity for the government of the day. Policy ideas could be floated and tested within the public sphere. Craig Calhoun argues that universities operate in analogous fashion. In the most advanced version of this semi-legitimate criticism, they incubate original and transformative social movements.

[c. public vs. private good (zero-sum relation)]

However, it is with the final meaning of public that we get to the heart of the issue of public good in higher education – or rather, to the heart of the neglect of the public good. That is the private/public dual, the zero-sum trade-off, the idea that higher education – or some aspect of higher education – can be *either* public or private, but not *both* at once. This public/private dual takes two forms. I call them the political dual and the economic dual.

[Public/private dual: the political version]

The first kind of public/private split, the juridical-political version, is the easier to understand. Here 'public' stands for government, or state. This public/private distinction is a distinction between state and non-state production or control. We speak of 'private' or 'public' schools, universities or hospitals, on the basis of their legal ownership.

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

The economic idea of public and private goods was codified by Paul Samuelson in a short paper in 1954. This paper, both highly ideological and analytically powerful, is a brilliant example of practical economics. It shows how this discipline has been able to shape policy and society. Along with Gary Becker's human capital theory it provides the bedrock of the Treasury view of higher education. It is an inexhaustible formula for marketising the sector.

Samuelson's paper normalises capitalism across society. Economic activity takes place in profit-driven markets unless that is impossible. It is impossible when the good is non-rivalrous and/or non-excludable. This leads to market failure. In that case the good is a public good, and if a *necessary* good, must be financed by the state or private philanthropy.

In the Samuelson world some public goods are produced automatically as spill-overs from the market. For example, if higher education institutions sell places to international students on a profit-making basis, this has the incidental effect of bringing local and international students together in one classroom, fostering international understanding, a public good. But most economic public goods are externalities that must be funded.

[The economic public/private dual is also a funding formula in a marketised system]

Samuelson's distinction between public and private goods plays a central role in higher education policy because it is a funding formula. You know how it goes. The student user gains additional earnings through higher education, private benefits. So the graduate should bear the costs, unless the graduate does not earn enough, in which case there is market failure and government subsidises the tuition loans scheme. That's all there is to it. Or is it?

It works in basic science. Industry will not fund most research, because the commercial benefits are highly uncertain, the lead times are long and it is very difficult for one firm to capture public science. Science is a natural economic public good.

However, in cases like education and health the rule governing Samuelson's formula does not truly apply. The rule is that public or private is determined by the nature of the good. But in education and health *government chooses* whether to provide the service as a universally accessible public good (e.g. NHS, UK primary schooling, higher education in Germany or Finland) or as a private good (e.g. higher education in England). In the case of English higher education, government has decided, politically, to organise it as a market and fund it accordingly. Samuelson has been used not to objectively calculate the funding split, on the basis of naturally existing conditions, but as a post hoc ideological mechanism for framing a higher education market along US lines while limiting public spending.

[The policy choices in Anglo-American countries: four economics of higher education]

By combining the political dual and the economic dual, we can see the policy choices exercised by Anglo-American governments in higher education and research. The vertical axis uses Samuelson's distinction between public and private goods. The horizontal axis shapes the opposition between state and non-state production. This generates four distinct economics of higher education, and all play a role in the sector. Activity in quadrant 1 is outside the state and also outside the market. Quadrant 2 is pure social democracy – non-market activity controlled by the state. Here higher education is free of charges and relatively non-competitive, and the potential for public goods in both senses, economic and political, is at its peak. Quadrant 3 is the domain of state controlled markets in student places, as in England today. Research is also more competitive and market-like. Quadrant 4 is pure for-profit activity, as for example in international education. What's most interesting about this matrix is that a growing proportion of activity has shifted to Quadrants 3 and 4 where the potential to generate collective and common goods is less than in Quadrant 2.

[This framework is pulled toward the market]

Over time the present policy framework in English higher education *must* reduce the potential for either Samuelson public goods or UNESCO common goods. If the public/private relation was conceived in a less individualistic fashion, public goods and private goods could advance together. But in policy economics, public and private goods are zero-sum. The more we have of one the less we must have of the other. If higher education generates private benefits, then by definition it does not generate collective social benefits. If it generates collective outcomes, these necessarily exclude individual interests. This might suggest there is a balance between public and private, but there is not. Samuelson public goods are defined as outside the main economic activity, that of private benefits for graduates in the education market. Public goods are either unfunded 'spill-overs' from the market, or funded 'externalities' in areas of market failure. Here governments have a strong vested interest in underplaying the potential externalities, to reduce spending. England clearly funds only basic science, and social access through tuition subsidies. This is defined as access to private goods and separated from any larger social reform programme, which would involve a plethora of collective goods not admitted to the policy framework.

[Global public good in higher education]

There are other policy gaps. Higher education has an advanced potential to create global public or common goods, for example through global science. But without a global state that conceives the world as a whole, there are no policy mechanisms for monitoring such goods. The global space is defined as an arena in which universities behave like private corporations. This does not prevent international activity from generating common good outcomes. But no doubt global goods, like other collective goods, are under-provided.

[The lack of 'civilisational' content in the economic policy framework]

However, the ultimate problem of the Samuelson framework is that, aside from privileging capitalist markets, it does not address social values. Consider. When an aggressive nation like Russia invades an innocent neighbouring nation like Ukraine, the invasion is *non-market* activity carried out by a *government*. It is associated with 'public goods' in both the economic sense and the political sense. But does it produce universal 'public good'? Clearly not. Any policy framework used in higher education, or elsewhere, should be ethically

grounded. Before working out the funding split in higher education the prior question is *what kind of society do we want and how does higher education contribute to that?*

[Dualistic but unbalanced : The public good contributions of higher education are little unacknowledged, under-funded, unsupervised]

In short, we have a problem in higher education in England. Within the dualistic public/private framework, the private good looms larger than the public good. The public good is focused only on science funding and access subsidies. A huge range of public outcomes are left to institutions to fund and pursue if they will. Policy seems indifferent, but in reality, it works hard to constrain the funding and policy obligations of government.

[It is different in Finland – the social purposes of higher education are fully acknowledged]

It does not have to be like this. International examples make that clear. For example, in Finland there is consensus about free higher education, about higher education that embodies and fosters social equality, and about the larger social and cultural mission of the sector. There is no evidence the sector is less effective in economic terms because of it.

[We regress: English policy has lost sight of the intrinsic functions of higher education]

It is not just a problem of the neglect of collective goods of the kind generated in social democratic Finland. When the outcomes for students are modelled in terms of graduate earnings and value for money, the benefits for *individuals* are much reduced. We have regressed. The Bildung idea in eighteenth century Germany was richer. Bildung focused on the all-round growth of the autonomous student as the medium for both individual and social advance. Kant's aim in education was an active autonomous rational subject who would live in the public sphere among other individuals, with all using educated reason in a public way. Kant saw education as forming citizens for an emergent civil society. He believed that through particular knowledge in local settings, students would come to understand the general and enduring. Lots of scope for low value courses in eighteenth century Germany.

[In summary]

To move to conclusions

[In summary – with text]

Through its intrinsic and extrinsic activities, higher education contributes to multiple individual and social outcomes. Most are under-recognised, under-funded, and under-provided. Anglo-American economic policy scarcely acknowledges social values. It favours a dual public/private methodology with inbuilt biases towards economic markets and the residualisation of public spending. Policy minimises the potential for funded externalities.

[4. Regaining the public good]

The starting point for reworking higher education and public good is to ask *what kind of society do we want and how can higher education contribute to achieving that society?* I think the UNESCO concept of 'higher education for the common good' provides a more promising way forward than 'public good', given the latter's ambiguities.

[Grounding higher education in the public]

What are my ideas for the post-market settlement of higher education in England? I agree with my colleagues in the Centre for Global Higher Education who are researching governance in higher education. They argue that the governance of higher education should be moved out of Westminster and into the cities and regions. This would securely lodge institutions in communities, their needs and agency. It would shift the balance from an abstract national competition to public and common goods. A tertiary system approach and some levelling up of lower and middle tier institutions would cement the turn in policy. In relation to funding, half of the costs of English higher education are currently paid by government through its subsidisation of the loans system. This should be replaced by direct funding of institutions – decisively moving the system off the universal market model, in which student nominally carry all costs of tuition. Without spending more that would decisively change the rules of the game. It would restore public commitment to the broader individual benefits and multiple social outcomes that higher education creates.

[sign off slide]

Thank you kindly for listening. I look forward to discussion.