

Public vs. Private Higher Education: Public Good, Equity, Access

Is Higher Education a Public Good?

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Introduction

If we are interested in questioning the impact of the current policy dynamic on the notion of higher education as a public good we must first try and understand what we mean by a public good in as unambiguous a manner as possible. This definition must then be related to higher education and we must ask whether the growing trend of trade in higher educational services has changed our perceived view of higher education as a public good.

What is a public good?

Public good as an article of economic jargon is narrowly defined. Definitions of public goods are based on two core qualities, these are:

- Non-rival: Does one person's use of the good diminish another person's use?
- Non-excludable: Can a person be prevented from using the good?

Common examples of public goods include lighthouses and national defence (except in the case of a weak/failed state). The functioning of these two public goods is not compromised by the addition of more users, nor is their availability restricted for having been utilised by one more person. Wholly public goods like the two above are thin on the ground, often goods fulfil one criteria or the other, or sometimes are public goods and sometimes are not varying with different modes of the good. For example, a painting in an art gallery is a public good unless restrictions are put on the entrance

to the gallery. This means that whilst an official portrait of Henry VIII in the National Portrait Gallery in London is a public good, the Mona Lisa in the Louvre is not.

Market failures and public good provision

Because of the dual nature of public goods they cannot be provided by the market in a manner that satisfies demand for them. If a public good is provided for profit then problems are evidenced: the free rider problem is the most pressing failure that for-profit providers are concerned with. How can a for-profit provider be sure of payment for good use if by the definition of a public good it is impossible to exclude access to it? In the case of a pure public good there is no way to guard against the free rider problem and this is an important reason that public goods are normally provided by non-profit organisations and governments. Public goods may also be provided by governments due to the even demand for the good by all members of society. For example governments often provide roads as it is difficult to persuade future users to provide the substantial investment needed for their initial provision.

Is HE a public good?

Ignoring for the present time the difficulties in considering institutional higher education as a public good let us first consider the concept of higher education.

Objective definitions of higher education are not easy to come by but it is broadly accepted that higher education fulfils four major functions:

- 1- The development of new knowledge (the research function)
- 2- The training of highly qualified personnel (the teaching function)
- 3- The provision of services to society

4- The ethical function, which implies social criticism

Let us take each function in turn and also consider the functions as a non-separable bundle.

The development of new knowledge

Testing this function against the non-rival aspect of public good definition is a short affair, knowledge is not 'consumed' by a student. Pythagoras theorem has been used for over two millennia without any noticeable degradation in its ability to produce accurate answers to trigonometric questions.

Testing against excludability does however pose some questions that it is not possible to get clear answers to. It is well documented that private research institutes do not openly share the fruits of their labours and there have been cases of researchers signing confidentiality clauses as part of some private research sponsorship conditionality. Similarly research commissioned by military agencies is closely guarded by the state often using legal measures to ensure the excludability of the knowledge. In the World Trade Organisation (WTO) Part 2:7 of the Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS) deals with the protection of undisclosed information enforced through the dispute settlement panel (DSP) of the WTO. So, there are legal means in both domestic and international law for excluding access to knowledge and it is also reasonably possible to restrict access by not publishing new research. However there are also elements of research that are widely circulated. For example the results of the research that suggests that nicotine is carcinogenic is thoroughly accessible and ubiquitous in the public domain.

Mathematical theorems are also in the public domain and of course the taught content of higher education courses are the fruits of previous research.

When formulating an argument to assess whether research is a public good with reference to excludability it is useful to assume that the reverse is true and consider the implications. If research is a private good by way of exclusion then what are the impacts for the future generation of new knowledge? New knowledge is built upon old knowledge, the cornerstones of all commercial, military and strategic technologies are fundamental ideas that are usually not directly applicable in their raw form. In time with research funding directed at only profitable activities the rate at which core research will be generated will slow. This loss effectively narrows the capabilities that new researchers and disciplines have to evolve. For example molecular development is a slow and expensive process of trial and error (mostly error). It is possible and likely that pharmaceutical companies, operating in a closed research environment will be replicating research and developmental work at high cost, limited efficiency and with knock on detriments to the public need for rapid drug development. Arguments for this limited efficiency centre on the need to secure profits to make development worthwhile. However the argument that this profit is only possible due to the utilisation of research that is openly in the public domain is rarely made. Free-riding on core research by for-profit research sponsors is a major market failure, peculiar to public goods.

The scenario whereby theoretical research is either not generated or is retained within select networks implies that the rate of knowledge generation will slow with appreciable effects on technology development. That the knowledge base is so

adversely affected by exclusivity suggests that higher education is a public good when the long-run scenario is considered.

The training of highly qualified personnel

Due to the diverse methods of teaching in current use and looking forward to more innovative internet and other distance methods it is difficult to make a case that teaching in higher education is purely rival or excludable.

Humboldt attempted to define the role of the teacher in higher education as a research supervisor, no longer a simple imparter of knowledge. This implies a closer relationship between student and teacher than in earlier education and therefore a lower limit of students per teacher. However, the student's contact with the teacher does not degrade the teacher's ability to teach so the non-rival aspect of a public good can hold for teaching. Excludability though has been practiced since the times of the Greeks where tuition fees were commonplace and exclusion from education for sons of slaves and madmen was the norm. In recent times the idea that education is a right has become widely held and is inscribed in the Universal Declaration of Human Rights. Higher education accessibility is qualified in article 26:1 thus:

'higher education shall be equally accessible to all on the basis of merit.'

The basis of merit becomes a mechanism of exclusion. However the 'basis of merit' is a vague definition that may be conceived in a wide sense as the institution or government wishes. For example the widening access and increasing participation scheme in the UK seeks to use basis of merit in an extremely broad sense. It is also important to understand the implications that conceiving higher education as a human right has on its nature as a public good. Admitting higher education to the set of objects that are called human rights implies that higher education must be made

available to all (with the qualification in the legal text). That higher education is not naturally available to all necessitates interventions by bodies able to fulfil this obligation. These bodies then have the role of providing higher education to all 'on the basis of merit', thus exclusion from higher education by mechanisms other than merit based assessments are not permitted if higher education is a human right. Merit based assessment can take the broadest form so as to mean that the inclination to study is a merit in itself, in short that this exclusion mechanism can be negated by political will. As higher education is a human right as stated in the Universal Declaration it must therefore not be excludable as long as the public will is to make it fully accessible. There is a strong link between treating higher education as a public good and its status as a human right that will be compromised if market based or other discriminatory exclusions are allowed to become more apparent as is feared under the impact of the GATS and cost sharing initiatives.

The provision of services to society

The common (and sometimes misleading) rhetoric of describing education as a public good is based on the recognition of the indirect and shared benefits of higher education. Often in governmental and special studies into the beneficiaries of higher education the aggregated benefits are stated as including: increased vibrancy of economic activity, enhanced communication skills, increased tolerance, more thorough input into democratic processes and more empowered individual agents. Quantifying these aggregate benefits has not been achieved with any degree of accuracy, often the only quantification of benefits from higher education is measured in terms of graduate earnings and used as an argument for greater private (non-tax, individually differentiated) contributions. These non-tax benefits are non-excludable,

it is not possible to exclude an individual from the benefits of increased input into democratic processes. Non-rivalness is also a property of these 'soft' benefits, in fact these goods often self-propagate as they are transferred between people interacting in social environments. This aspect of higher education is a clear mechanism for the provision of public goods.

The ethical function, which implies social criticism

Social criticism is generated as part of the democratisation role of higher education that is conferred from the self-critical method of analysis used in academic discourse and learning method. Where higher education is the preserve of limited agents and localised in nepotistic centres, social criticism can pertain the flavour of the interests of those that have had access to higher education and perpetuate and reinforce inequalities. Where many individuals from diverse backgrounds that have undergone higher education are present in a liberal country the aspects of social criticism present are varied. Another example can be seen in many African countries that underwent independence after heavy opposition to colonial rule. The opposition were often led by graduates who were able to articulate criticism and promote positive values such as self-rule and advocate the use of traditional knowledge.

Social criticism is not an excludable resource. Once criticism is expressed in a democracy a voice is added to the debate or a vote is added to the mass. The benefits may be limited in impact but are widely diffuse in effect. Social criticism may be perceived as a bad where there is limited input by empowerment or design but in liberal democracies it is generally recognised as a non-excludable good. Nor is social criticism rival. Where every member of a democracy has an equal vote criticism

cannot be rival. Social criticism can, under limited circumstances be perceived of as rival if, for instance substantial criticism prompts illiberal governments to restrict future input. This situation is not, though, an argument in itself for restricting social commentary by society members but it illustrates an example whereby social criticism can be manipulated to be rival. However, all public goods can be manipulated to function as partial goods, the test that we should use however is a value based one of reasonableness. Where social criticism has been restricted severe problems have resulted for example during the Ukrainian famine under Stalin. It is not reasonable on past form to restrict social criticism where others input and human rights are not adversely affected. As such social criticism is generally conceived of as a public good rather than as a bad.

Cultural interpretations of higher education

It is important to realise the limits of our ability to definitively interpret modern higher education within the context of artificial constructs such as the notion of public goods. Whilst a narrow focus on a strict interpretation of the idea of public goods may well show that higher education is only a partial public good, liable to exclusion and degradation this is not the whole story. Our understanding of concepts of economics and education are necessarily limited by temporal, spatial, cultural and other geographic determinants. Cultural norms are important when discussing educational concepts and it is important to realise that many people believe that higher education is non-excludable. They will argue that exclusion and rival mechanisms such as entry requirements, tuition fees and intellectual property protection are examples of failures evidenced when public goods are provided through market mechanisms. The argument proceeds that if higher education is

provided by non-profit actors to be conferred directly or indirectly (through such effects as enhanced communication skills, more thorough participation in democratic processes, better access to employment on better terms etc...) then higher education is a full public good. That higher education is to be provided by non-profit actors to produce public research and teach all is taken as an inherent truth, a fundamental axiom in the value set. That higher education is currently provided by various providers, some for-profit, is considered unacceptable. It is akin to the for-profit provision of lighthouses that emit light outside of the visible frequency and charge subscriptions to certain ships that could afford expensive detectors. Whether higher education is a public good or a mixed good is to some degree within the eye of the beholder. Public notions of higher education have changed rapidly over the past half a century and it is consistent that higher education is now perceived by many to be a public good. That higher education is not provided in line with this understanding is a source of friction between the disenfranchised and the disadvantaged. Recent policy developments in international organisations such as the World Bank (cost sharing) and World Trade Organisation (GATS and TRIPS) also within individual countries such as the UK with debate on tuition fees have challenged the idea of higher education as a public good. This line of policy development is perceived as a retrograde step, looking back to the idea that higher education is the preserve of an elite and is a method of propagating inequality and exclusive power centres. Understanding higher education as a public good is not an act of rhetoric and positional discourse but is part of a deeper social movement. This movement is concerned with promoting equality of opportunity and social mobility rather than equity and parity of treatment. Inter-governmental organisations are perceived as

operating with limited democratic input and therefore not reflecting this common understanding that higher education is a public good.

Conclusion

This paper has tried to show that higher education concepts taken separately can be construed as public goods in the long-run scenario. That some would argue that higher education is a public, mixed or private good is to some degree a matter of perspective depending on, amongst other variables, the mode of education offered. It is clear though that higher education has a significant amount of public good character about it and that it is possible to treat it as a public good. If higher education is so construed as a public good and policy initiatives are undertaken in this light then market failures such as deleterious effects on the rate of technology development (an important exogenous input into an economy), cultural harmonisation and selective disempowerment can be avoided. The increasing incorporation of aspects of higher education into trade agreements is a trend that has to be monitored carefully with a view to protecting the elements of higher education that would not be adequately provided by the market.

A consideration of higher education as a public good is a useful way of conceiving such a key provider of social benefits. This conception will allow global higher education to develop in a sustainable and free environment to provide new research, teach a new (and old) generation to think critically and continue to provide social and cultural goods.

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