London Review of Education
Volume 14, Number 1, April 2016
DOI: 10.18546/LRE.14.1.12

Higher education: Public good or private commodity?

Gareth Williams*
UCL Institute of Education, University College London

Authors who claim that higher education is a public service are often concerned about equity: they are making a normative case that like all education it should be available for everybody. Others stress the external economies: a society with large numbers of highly educated people is more efficient economically and better in many other ways. Finally there is the argument that 'knowledge' is a 'non-rivalrous' commodity; once something is known it is in principle available to all at very low cost and should be organized so that it is. Opponents argue that higher education needs resources, so someone must pay for it and it is more equitable for the costs to be borne by those who benefit most from it. Knowledge may intrinsically be free once it has been discovered, but the acquisition or creation of new knowledge is very expensive and those who acquire or create it need to be reimbursed. It is also argued that competition between independent creators and purveyors of knowledge is inherently more effective in the expansion of knowledge than monopolies of any kind, public or private. This article claims that the arguments on both sides are essentially about finance and concludes that neither public monopoly nor unrestricted market competition are by themselves ways providing the best higher education for all.

Keywords: higher education; public service; private good; equity; finance

Introduction

In the past quarter century higher education has shifted from being treated by governments as essentially a public service to one that is largely bought and sold as a private commodity. This was most dramatic in Eastern Europe but it was also evident in much of the English-speaking world, and China and most countries in the Organisation for Economic Co-operation and Development (OECD) have moved a long way in this direction. How has this come about and how beneficial has it been to societies and their individual members? Obviously there have been massive ideological changes in societies and the economy generally. However, in higher education there has also been the transition from elite to near universality, which as Martin Trow perceptively pointed out over forty years ago would inevitably bring about great changes in its provision:

> Growth affects the size of the national system as well as its component units, and here the effects are primarily economic and political. As a system grows it emerges from the obscurity of the relatively small elite system with its relatively modest demands on national resources, and becomes an increasingly substantial competitor for public expenditures along with housing, welfare and defense. And as it does, higher education comes increasingly to the attention of larger numbers of people, both in government and in the general public, who have other, often quite legitimate, ideas about where public funds should be spent, and, if given to higher education, how

* Email: g.williams@ioe.ac.uk

> they should be spent. The relation of higher education to the state becomes increasingly critical the bigger the system of higher education is.
>
> (Trow, 1974: 4)

In 1990 in a report for the OECD, obviously influenced by Trow and the harsh economic climate of much of the 1980s, I wrote:

> There are no easily applied criteria to determine the total level of public expenditure on higher education, and in practice most governments have, until recently used some form of incremental funding which was uncontroversial when their higher education systems were expanding. All the bargaining and political judgement was concentrated on the size and distribution of this increment. … Incremental funding is the most convenient basis for the public funding of higher education institutions but it is almost impossible to implement rationally if resources are not growing.
>
> (OECD, 1990: 13)

This was written at the end of the 1980s, when communism was collapsing and in several countries politicians were beginning to ask why so much public funding was being devoted to an activity many of whose benefits accrued to private individuals.

For more than three decades after the end of the Second World War in 1945, higher education expanded in both scale and scope, and was usually able to make credible claims for increased resources from public funds. In a few countries, most notably Japan and the United States, tuition fees paid by students' families made a significant contribution but even here it was recognized that the state had a major responsibility. Initially the main driver of expansion was the demand resulting from the increased numbers of qualified students emerging from secondary education and the belief that greater access to higher education increased social mobility and hence helped reduce inequality. The Robbins Report in the United Kingdom (Robbins, 1963), and similar studies in many countries, demonstrated convincingly that large numbers of young people with the ability to benefit from some form of education and training beyond secondary school were unable to do so for financial reasons or because of inadequate capacity in the universities and colleges. Although such arguments are still being made by advocates and lobbyists for higher education, they have become less convincing as, to use Trow's terminology and definitions, 'elite' higher education has given way to 'mass' and, in many economically advanced countries, 'universal' higher education (Trow, 1974).

From the 1960s economists have also been showing that universities and colleges make a significant contribution to economic growth, both because most graduates became more productive than they would have been otherwise, and as a result of the contribution of university research to improved economic efficiency through technological and organizational advance. By the 1990s this was being taken up by higher education lobby groups and some politicians and has become the principal rationale for continued expansion in the 1990s and early twenty-first century in many countries.

From the 1990s onwards there has been growing disillusionment, at least among the politically active classes, about many of the consequences of the income and wealth equalization policies that had held sway for several decades after the end of the Second World War (see Piketty, 2014). Changes in many other European countries have not been as dramatic as in the United Kingdom but in the past two decades there has been a marked shift away from public provision of many goods and services in most countries of the OECD. As Trow foresaw, mass higher education cannot exist in an ivory tower, isolated from the political and cultural currents of society more generally.

These three pressures, the financial, the sociopolitical, and the ideological have all played a part in bringing about the shift of higher education away from being treated as a public service

towards becoming a marketable commodity subject to the laws of supply and demand by individuals and organized groups.

The case for higher education as a public service

Education has always presented difficulties for those who advocate a simple individualistic liberal view of society, in that its purpose is to bring about a transformation in the knowledge, the thinking, and the capabilities of those undertaking it, whether that be learning how to operate heavy machinery or internalizing the truths of the Qur'an or the Bible. The individual who undergoes an educational experience becomes a different person, with an understanding of, and often an ability to do, something they were not capable of before. The prominent nineteenth-century advocate of liberty, John Stuart Mill had to concede that:

> It is better to be a human being dissatisfied than a pig satisfied; better to be Socrates dissatisfied than a fool satisfied. And if the fool, or the pig, is of a different opinion, it is because they only know their own side of the question. The other party to the comparison knows both sides.
>
> (Mill, 2013: 13)

Education is the mechanism by which the enlightened and knowledgeable of each generation have been able to pass on their wisdom to their successors. The educators decide what the learners should know and understand. It has long been recognized that the education of children as full members of the society and economy to which they belong should be a collective responsibility, though the relative influence of parents and knowledgeable members of the wider community has also undergone considerable changes in recent decades. Religions and political movements have long understood that control of education is the most effective means of shaping the society of the future and have sought to control national school systems and to set up their own higher education institutions. It has been argued that since education increases knowledge and widens horizons, choices made by those who are fully aware of the alternatives and their implications are more valid than those who are unaware of other possibilities outside their immediate environment. It is legitimate to claim that well-educated people have a special responsibility to help others achieve their full potential because their education gives them greater awareness of the range of possibilities available. This may well be considered elitist by extreme libertarians but it is ultimately the heart of the case why it is not appropriate to leave education entirely to the vagaries of the marketplace.

Nevertheless, there have always been some problems in applying such reasoning to *higher* education. First, by definition its recipients are adults and in a better position than children to appreciate whether they want to learn, and what they want to learn and why. Second, the range of knowledge that must be available for people who already have a sound basic education is very wide and some degree of choice by individuals or their mentors is inevitable. Third, the idea of *higher* education implies an ability as well as a desire to benefit from higher learning, which must depend in large part on individual interests and prior achievements. Fourth, the costs of higher education, especially in terms of earnings forgone by young adults can make very considerable claims on public funds.

In the ideological climate of the mid-twentieth century it was recognized in most countries that an individualistic approach to higher education provision resulted in considerable unfairness, in that many people who could undoubtedly benefit from it were unable to do so because of inadequate earlier education or lack of financial resources (e.g. Robbins, 1963). It became plausible to make the case to extend the rationales that were widely accepted for the education of juveniles to the further and higher education of young adults. Public provision of higher education became the norm (though there were differences between countries about the extent

to which this was supplemented by private institutions of various types). However, when, as in many OECD countries, the majority of people began to undertake some form of higher education and higher education institutions laid claim to a large share of all education and training of adults, it became more difficult to justify comprehensive publicly funded provision on these grounds for reasons of both cost and encouraging diversity. Which of the almost infinite number of possible higher education activities should be included among those publicly provided and who should decide? To give a single example, there have always been considerable differences of opinion about whether learning about alternative and complementary medicine should be available as a public service along with more orthodox medical education.

It was also clear that although many forms of higher education brought considerable advantages to most of those who were able to undertake them, some of the benefits spilled over to wider communities. Higher lifetime incomes were the most obvious benefits to individuals but other non-monetary benefits have been clearly identified. In a recent pamphlet Willetts (2015) identified research showing many non-monetary benefits from higher education: longer life expectancy; lower consumption of alcohol and tobacco; less likelihood of being obese; greater likelihood of engaging in preventative health care; better mental health; better general health; greater life satisfaction; less criminality; and greater propensity to vote, to volunteer, to trust, and to tolerate others. Nearly all of these bring wider social as well as individual benefits.

There is also the argument made by some economists in their theories of endogenous economic growth (see Romer, 2011). The basis of their argument is that groups of well-educated people working together are more productive than they would be if they were all working individually with less well-educated people. Email and the internet are an example of this. At a time when few people had access to them, and fewer still knew how to use them, they had virtually no impact on overall productivity. Now that very large numbers of people have access and good knowledge of how to use them, their effect on overall productivity has been phenomenal.

Such arguments, combined with those of Willetts, justify claims that the overall public benefits from higher education are greater than the sum of the individual benefits.

The shift from public to private

Higher education was not alone in raising doubts about the central role of the state in providing a wide range of services. In the UK this was fuelled initially by the concerns of the Conservative governments of the 1980s about control of public services: they often appeared to be managed in the interests of the providers of the services rather than those who were supposed to receive the benefits. This conflicted with the emerging neo-liberal ideology that the customer is always right. In the United Kingdom lifetime tenure for academic staff being available on the basis of flimsy evidence of achievement and potential was one example of producer capture and the legal basis of lifetime academic tenure was abolished in the 1988 Education Act. This Act also decreed that instead of universities and colleges receiving unconditional direct public subsidies as had been the case since the creation of the University Grants Committee in 1918, they were to be treated as suppliers of services under contract to the state and other purchasers of their services:

> I shall look to the [Universities Funding] Council to develop funding arrangements which recognise the general principle that the public funds allocated to universities are in exchange for the provision of teaching and research and are conditional on their delivery …
>
> I very much hope that it will seek ways of actively encouraging institutions to increase their private earnings so that the state's share of institutions' funding falls and the incentive to respond to the needs of students and employers is increased.
>
> (DES, 1988)

The consequence of this change was the introduction of contractual agreements (embedded in 'financial memoranda') between the new Funding Councils and universities based on the number of students recruited and judgements of the amount and quality of the research produced. This led to increased competition between institutions and rapid expansion of student numbers. The following two decades also saw fierce competition between universities for students from overseas, who were required to pay fees covering the full cost of their courses. The competition was intensified further in the new millennium, when fees for UK and EU students were introduced and rose rapidly, until by 2012 they more than covered the full cost of providing courses in some subjects. At the same time, universities were encouraged to compete for research income from non-government sources and to seek other funds to support and expand their core educational activities. By the end of the first decade of the twenty-first century there could be little doubt that British universities were, to all intents and purposes, commercial institutions serving almost entirely private interests. The only remnants of public service was a concern, largely rhetorical, to try to achieve some measure of equity in student participation. However, student numbers continued to grow. There were similar developments in most other countries, more pronounced in ex-communist countries and the English-speaking world, but happening to some extent almost everywhere, encouraged in Europe by the European Union.

Theoretical issues

The important question for today is not whether in practice twenty-first-century mass higher education is public or private but whether a convincing case can be made by those who would prefer the tide to turn and its public service features to be recognized more widely. Three principal arguments have been made.

First it may be that higher education is something to which everyone should have access. There are possible analogies with health or justice. Not everyone wants to make use of these services at any particular point in time but it is reassuring for everybody to know that they are there if needed, on something like equal terms for everybody. Some authors go further than this and argue that because all education is transformative for the better, everybody should have access to it whether they want it or not. The analogy here would with compulsory education of children or compulsory vaccination against smallpox. How far are we prepared to go with this analogy? In the twentieth century some ideologies in positions of power, Nazism and Communism among others, made essentially this argument.

A slightly less strong version of this case is one that was made by the Robbins Report in 1963 but that has rather fallen out of favour in the intervening half century. This is that higher education helps to promote a common culture:

> … there is a function that is more difficult to describe concisely, but that is none the less fundamental: the transmission of a common culture and common standards of citizenship. By this we do not mean the forcing of all individuality into a common mould: that would be the negation of higher education as we conceive it. But we believe that it is a proper function of higher education, as of education in schools, to provide in partnership with the family that background of culture and social habit upon which a healthy society depends. This function, important at all times, is perhaps especially important in an age that has set for itself the ideal of equality of opportunity.
>
> (Robbins, 1963: 7)

In an age of multiculturalism and when diversity is at least an implicit aim of decision makers for higher education, it is difficult to see this as a justification for treating higher education as a public service. Can we agree what the common culture should be in 2016? In some countries faith-based

universities were certainly founded on the idea of a belief they want to promulgate. Patriotism is another possible set of underlying beliefs that some people believe justifies considering higher education as a public service, at least in some respects. But in general, modern democratic societies exist in an environment that likes to consider itself postmodern and not subject to overriding absolute values. Academic freedom, diversity, and toleration within the constraints of the law and availability of finance are now generally seen to be essential aspects of any higher education system.

For some politicians and authors on higher education issues, equality is close to being the common culture of the twenty-first century. For example, Nixon (2015), in a wide-ranging review of the literature, claims that higher education should contribute to the public good by promoting the reduction of inequality in its own activities and in society generally. Much of the debate is about whether equity between individuals and groups should be the underlying constant and whether the evaluation of any system should be to a large extent about whether it promotes equality. Many politicians and other observers go further and claim that not only should greater equality be a principal aim of higher education systems but that it should also apply to all individual institutions. But is this a realistic mission for higher education and is it an adequate basis for considering higher education as a public good?

Economic considerations

There is an extensive economic literature about 'public goods', which claims essentially that they are goods (or services) that can be enjoyed by everyone and that no one person's ability to have them is diminished by the number of people who enjoy them:

> Private goods are excludable; those who own the good can exercise property rights, preventing those who have not paid for the good from using it or consuming its benefits. Private goods are also rivalrous; consumption by one consumer prevents simultaneous consumption by other consumers. In contrast a 'public good' or service is neither rivalrous in consumption, nor excludable in ownership, and is available to all.
>
> (Dill, 2015: 141)

This last phrase, 'available to all' – by implication affordable by all – provides the starting point for much of the debate. If a good or service can be plausibly defined as public, then it should be 'available for all' and nobody is prevented from enjoying it through lack of resources. This is an operational question, not a value judgement. A product, once it exists, either is or is not readily available to everybody. Very few goods or services meet this strict definition of being freely available. What do exist, and have been much discussed by economists for many decades, are products that have high fixed costs that must be met somehow but, once the product exists, the marginal cost of an extra unit is very low. Knowledge in many of its forms is one such product. Stiglitz (1999), among many others, has pointed out that scientific knowledge is intrinsically a public good. The creation of new knowledge, whether it is a work of literature or an understanding of the nature of the universe is often very expensive. Once the knowledge has been created, everyone can benefit from it: my acquiring it does not inhibit your obtaining it as well. But there are two good reasons, and one not so good reason, why access to knowledge may be restricted. The less good reason is the often-repeated adage that 'knowledge is power'. Those with knowledge may wish to keep it to themselves. But even this is not without some justification. Certainly nations with the knowledge of how to construct nuclear weapons make great efforts to prevent it leaking to others, and on the whole this is thought to be desirable.

A better reason for restricting access is that the creators of knowledge need to be reimbursed for their efforts somehow. Hence copyright and patent laws have evolved as one way

of providing incentives for investment in invention and creativity, but they result in what could be a (almost) free product available for all becoming something that is expensive, providing (often very substantial) rents for the holders of the copyrights or patents. The pirating of popular music is one example that has received much attention in recent years. More generally, this feature of knowledge points to a possible distinction between the two university functions of knowledge dissemination and knowledge creation.

The third reason for knowledge not being freely available to everybody is that there is so much of it and it is not homogeneous. Although something that is known or discovered can in principle be made available to everyone at little extra cost, it is not feasible for everyone to know everything. Therefore I will tend to use my knowledge to sell you services based on that knowledge and you can do the same to me. The advantages of specialization and exchange of services are even more applicable to knowledge than to Adam Smith's pin factory.

It is worth noting in passing that there are distinctions between knowing something, knowing how to do something, and understanding something. The first, especially in the age of the internet can be free and massive open online courses (MOOCs) and Wikipedia are beginning to make something like this possible. The second and third facets of knowledge require efforts on the part of the learner and usually require the direct assistance of teachers or trainers.

So from an economic point of view, knowledge, once it has been acquired by humankind, is to all intents and purposes a free good but its acquisition and use by individuals can give it the characteristics of a private good.

The public

The 'public' is another term that must be examined closely in any claim that higher education is, or ought to be, a public good. The word embraces many ambiguities. '*A* public good', as defined by economists, signifies something different from '*the* public good' as most people understand it. As already indicated 'a public good' for economists is a term used to signify a good or service that cannot be easily restricted to any particular individual or group. '*The* public good' is a more general term that is often used to signify almost any benefits of which the writer or speaker approves. Often this comes close to using the phrase as a euphemism for the idea of the 'general will' of all right-thinking people, as promulgated, for example, by French and Russian revolutionaries. Before concluding that this belief is not relevant in twenty-first-century higher education, it is at least worth asking ourselves whether the idea of political correctness comes close to expressing a similar sentiment. There has been evidence in recent years of academics finding themselves in deep water over expressing sentiments or using phrases that offend prevailing widely held sentiments. If higher education is to be treated as a public good, to what extent is it appropriate that the general will as manifested in current ideas of political correctness should determine what is said or done in universities?

Another expression of the general will is the 'democratic majority'. As far as higher education as a public service is concerned, this raises questions about the responsibility of the majority towards minorities that exist in the same geographical area. In many countries these manifest themselves in linguistic, cultural, and ethnic differences. A very real practical issue is whether the democratic majority can legitimately impose its higher education on the minorities in the pursuit of a common culture or national unity. Often, separate higher education institutions, and sometimes separate higher education systems, are permitted and encouraged. In the United Kingdom, England, Scotland, Wales, and Northern Ireland now have distinctly different higher education systems and similar arrangements exist in the United States and many other countries.

In several countries religious groups have their own universities. Thus the idea of higher education serving *the* public good is already a contested concept.

Another view is that the relevant public consists of those who are interested in, and know most about, the matter under discussion. There are obviously tinges of elitism here but much in higher education is intrinsically elitist intellectually. We cannot pretend that any but a gifted minority can hope to fully understand complexity theory in mathematics or the theoretical underpinnings of the United States Constitution, and all real higher education demands some intellectual capability and appropriately guided effort on the part of those undertaking it. This line of reasoning suggests that it is the academic staff who are best able to judge what higher education is appropriate. This is the essential basis of the widely held belief in academic freedom as an essential attribute of higher education. One problem with accepting this claim is that academics are themselves not all of a like mind. Another is that, like all communities, they have their own vested interests, which may not correspond to a wider public interest.

Research in higher education institutions

Much of the debate about higher education as a public good is concerned mainly with universities and colleges as teaching institutions and the extent to which the benefits of learning, direct and indirect, go beyond the private benefits acquired by their graduates. Many higher education institutions also create knowledge through their research, which has important public and private consequences, and the relationship between the public and the private is particularly difficult to disentangle. Knowledge can be divided into two broad categories: that which once discovered can be codified and stored on paper (or in databanks); and that which is embedded in individuals who possess the knowledge or capability and cannot be separated from them. In the case of the former, once the knowledge has been codified it can be stored and made widely available at relatively low cost and often with comparatively little effort on the part of the user. It becomes non-rivalrous and intrinsically non-excludable. Embedded knowledge of the second type can be transferred from one individual to another but its acquisition requires as much education or training from each new generation as those who acquired it in the previous generation. Knowledge that needs to be embedded in individuals is intrinsically private; the London taxi driver, for example, acquires 'the knowledge' of routes through the city streets and is able to earn a living from it. A medical practitioner learns how to cure people or prevent them becoming ill and is able to profit from this knowledge. Both taxi driver and physician take several years to acquire the knowledge and there are few shortcuts. On the other hand, a new discovery that may take a large amount of resources to make can often be codified and made available to all at very low cost. The World Wide Web required great ingenuity to create, as did the plays of Shakespeare, or the music of Beethoven, but once created and written down or codified, they can all be made available to others at very low cost. Thus it can be argued that much research should be treated as a public good.

Throughout most of the twentieth century, this was the model that was in the ascendancy. Research was largely paid for out of public funds and academic staff in universities published their results as soon as they could. The information was then available for all to use. In such a system, university research depends on receiving funds from public sources. However, as part of the general ideological shift towards markets as the best mechanism for resource allocation, the private benefit aspects of research, as of most other aspects of higher education, have become much more prominent.

In research, the growth of private interests has been manifested in the much more widespread use of copyright and patent laws that enable individuals and corporate bodies to

profit for considerable periods from their discoveries and creations. Codified knowledge that is in principle non-excludable and non-rivalrous has been privatized along with much of the rest of higher education. Once again the issue comes down to policy choices, and these are for the most part global political choices. The argument for the privatization of codified knowledge is that the possibility of high rewards encourages greater investment in research and creative activities; the arguments against are that dissemination of results of research is slower and more restricted than would be the case if they were freely available. Debates about the availability in economically poorer countries of recently discovered medicines are one example of this dilemma. More recently, debates about the mandatory publication of research results and information gained during the course of publicly funded research are a manifestation of the tensions between public good and private rewards.

Concluding remarks

In practice, much of the debate about whether higher education is a public good or service is really about how it should be paid for. For at least four decades after the end of the Second World War most countries treated higher education as a welfare service paid for out of public funds. Even at the time this was not unambiguous. Outside the East European Communist Bloc and China, academic freedom was jealously guarded. It was accepted that taxpayers paid for higher education through their governments, but the academic profession in various guises decided what the content of the education should be – although, as Clark (1983) showed, the precise arrangements to resolve the tensions between the claims of academic expertise and providing the resources to meet the claims differed between countries.

As already indicated, the emergence of mass, and later near-universal, higher education (Trow, 1974) changed the way that higher education was viewed by governments. Partly this was simply because it was making much larger claims on resources. Partly it was reflecting broader ideological changes that laid much greater stress on the relations between costs and benefits to individuals and particular groups in all economic and social activities. In addition, the two main drivers for the expansion of higher education were the democratic political pressure for the benefits to be obtained from higher education to be distributed as widely and fairly as possible and the growing realization that many of the outputs of higher education teaching and research brought economic and social benefits to wider society. For both of these drivers of expansion, governments, employers, and representatives of interest groups and disparate communities claimed a legitimate interest in what was happening in universities and colleges. Serving the public changed from confidence that the experts knew best to a conviction that only individuals through individual market choices could really show what the multifarious public really wanted. In today's prevailing ideology the public is seen as each individual having the freedom to make her or his own choices. All have their own interests and abilities. At the same time, institutions and organizations have the right to offer whatever services they are qualified to provide and that will be most rewarding to them, subject only to legal constraints as would apply to any other commercial organization.

The logic of markets is that individuals pay for what they want or what they will benefit from. This runs counter to the wish for higher education to be distributed widely and fairly. However it is financed and whatever regulations are in place about student admissions, potential students do not all start from the same place. Some have been able to have an excellent private education that has brought them up to very high levels of educational achievement; others have been less fortunate in their earlier education. Some do not have access to the resources to pay the fees and maintain themselves while they are studying. But most importantly, the sum of individual

choices may not add up to the best contribution that universities and colleges can make to economic and social progress more generally. If reduction of inequality and economic and social progress are to remain two of the main drivers of higher education, interventions by public authorities remain necessary even in a fully privatized system.

In the last analysis, higher education cannot be understood except in the context of the wider social and political environment in which it is located. As in all social activities, there is an inherent tension between the collective public and individual private benefits and responsibilities. In the long term, the ideological climate tends to swing from one to the other. At present, individual costs and benefits of both suppliers and users of services are in the ascendant.

Undoubtedly, higher education has many of the attributes of both a public and a private good. That it usually brings considerable benefits to most individuals who undertake it is beyond question. That it should be organized in such a way as to allow all who can, to benefit from it is a value judgement, but one that is so widely held as to be almost beyond question. Individuals enjoy the benefits of their higher education and as many people as possible should have the opportunity to enjoy them. At the same time, there are many wider benefits. A society in which higher education is widely distributed benefits both economically and socially. A society peopled by well-educated citizens is in general more aware of the range of life's possibilities and is therefore more likely to take wise collective decisions than one with less widespread awareness of human potential. This is an empirically testable hypothesis and the work of McMahon (1999) made a start in showing this.

Beyond such considerations of general equity, it is impossible to escape the different conceptions of the term 'public', and the enormous diversity of activities that are now accepted as higher education. Some activities of higher education institutions, such as research that leads to technological advance or improved social organization, or those that result in more politically and socially aware citizens, can make claims to advance the future public good in this way. Others are more likely to be of benefit mainly to their direct recipients and can lay little claim to be public goods or services. By accepting that the main rationale for receiving public funding is that it advances economic growth through increasing the productivity of individuals, higher education has weakened its claim to be a public service. It may well be that this shift towards belief in the private benefits obtained through higher education has brought universities and colleges more resources from a grateful public of private individuals than would otherwise have been the case. But is this a Faustian pact with the Devil?

Notes on the contributor

Gareth Williams is an emeritus professor in the Centre for Higher Education Studies at the UCL Institute of Education, University College London. He has worked on the economics, policy, and management of higher education for most of his career at Oxford University, the OECD, the London School of Economics, Lancaster University, and, for the past forty years, at the Institute of Education. He recently published an edited volume (with Ourania Filippakou): *Higher Education as a Public Good: Critical perspectives on theory, policy and practice* (New York: Peter Lang).

References

Clark B.R. (1983) *The Higher Education System: Academic organization in cross-national perspective*. Berkeley: University of California Press.

DES (1988) Letter from the Secretary of State for Education and Science to the Chairman of the Universities Funding Council. London.

Dill, D. (2015) 'Assuring the public good in higher education: Essential framework conditions and academic values'. In Filippakou, O., and Williams, G. (eds) *Higher Education as a Public Good: Critical perspectives on theory, policy and practice.* New York: Peter Lang, 141–62.

McMahon, W.W. (1999) *Education and Development: Measuring the social benefits.* Oxford: Oxford University Press.

Mill, J.S. (2013) *Utilitarianism.* Originally 1863. Online. https://ebooks.adelaide.edu.au/m/mill/john_stuart/m645u/contents.html (accessed 7 February 2016).

Nixon, J. (2015) 'Inequality and the erosion of the public good'. In Filippakou, O., and Williams, G. (eds) *Higher Education as a Public Good: Critical perspectives on theory, policy and practice.* New York: Peter Lang, 163–80.

OECD (1990) *Financing Higher Education: Current patterns.* Paris: OECD.

Piketty, T. (2014) *Capital in the Twenty-First Century*. Cambridge, MA: Harvard University Press.

Robbins, L. (1963) *Committee on Higher Education: Report of the committee appointed by the Prime Minister under the chairmanship of Lord Robbins 1961–63.* Online. www.educationengland.org.uk/documents/robbins/robbins1963.html (accessed 7 February 2016).

Romer, D. (2011) *Advanced Macroeconomics (Fourth ed.).* New York: McGraw-Hill.

Stiglitz, J. (1999) 'Knowledge as a public good'. In Kaul, I., Grunberg, I., and Stern, M. (eds) *Global Public Goods: International cooperation in the 21st Century*. New York: Oxford University Press, 308–25.

Trow, M. (1974) *Problems in the Transition from Elite to Mass Higher Education: Policies for higher education*. Paris: OECD.

Willetts, D. (2015) *Issues and Ideas on Higher Education: Who benefits? Who pays?* Online. www.kcl.ac.uk/sspp/policy-institute/publications/Issuesandideas-higher-education-funding.pdf (accessed 2 February 2016).

LONDON REVIEW OF EDUCATION

UCL IOE Press

Related articles in *London Review of Education*

In the same issue

This paper was published in a special issue entitled 'Higher education policy-making in an era of increasing marketization', edited by Ourania Filippakou. The other articles in that issue are as follows (links unavailable at time of publication):

Ainley, P. (2016) 'The Business Studies University: Turning higher education into further education'. *London Review of Education*, 14 (1).

Caruana, V. (2016) 'Researching the transnational higher education policy landscape: Exploring network power and dissensus in a globalizing system'. *London Review of Education*, 14 (1).

Dennis, C.A. (2016) 'Further education colleges and leadership: Checking the ethical pulse'. *London Review of Education*, 14 (1).

Filippakou, O., and Tapper, T. (2016) 'Policy-making and the politics of change in higher education: The new 1960s universities in the UK, then and now'. *London Review of Education*, 14 (1).

Marginson, S. (2016) 'Foreword: The partial shift from public to private goods in UK higher education'. *London Review of Education*, 14 (1).

Montgomery, C. (2016) 'Transnational partnerships in higher education in China: The diversity and complexity of elite strategic alliances'. *London Review of Education*, 14 (1).

Palfreyman, D., and Tapper, T. (2016) 'The marketization of English higher education and the financing of tuition fees'. *London Review of Education*, 14 (1).

Parry, G. (2016) 'College higher education in England 1944–1966 and 1997–2010'. *London Review of Education*, 14 (1).
Salter, B., Filippakou, O., and Tapper, T. (2016) 'Expanding the English medical schools: The politics of knowledge control'. *London Review of Education*, 14 (1).
Temple, P., Callender, C., Grove, L., and Kersh, N. (2016) 'Managing the student experience in English higher education: Differing responses to market pressures'. *London Review of Education*, 14 (1).
Temple, P., and colleagues (2016) 'David Watson 1949–2015: A life in higher education'. *London Review of Education*, 14 (1).

By the same author

Williams, G. (2010) 'Perspectives on higher education after a quarter of a century'. *London Review of Education*, 8 (3), 239–49.
Williams, G. (2011) 'Some thoughts on higher education, Browne and Coalition policy'. *London Review of Education*, 9 (1), 1–4.