Commodification of Higher Education

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Abstract

In the project “Commodification of Higher Education” an investigation of how the purpose of higher education has changed, due to commodification, is carried out. A distinction between moral and practical purposes within higher education is developed and it is discussed how knowledge is produced today, compared to earlier. The main focus in the project is global ranking, how this is a form of commodification, and in what way, it has changed the purpose of the university. When talking about ranking, a clarification of how ranking lists are being made, as well as a discussion of the goals and use of rankings, has been included. The process of commodification is explained by relating the development of usability of knowledge, to the idea of a consumer society. The project is a qualitative research project, which is made with an abductive approach.
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Preface

Considering the fact that we, the authors of this project, are students taking a higher education (HE) in the welfare state of Denmark, it seems only natural for us to discuss the changes in universities, and closely follow the development in policies made in this area. When making this project, a strong motivational factor has been to gain more knowledge of the institution in which we are enrolled, and to get a deeper understanding of the meaning behind being a student. What does society expect from us? What is our own goal when studying at a university? And what kind of educational system have we enrolled into? In the process of making this project we have been very inspired by Steven Schwartz¹ and his reflections on the values attached to the university, as a social institution with social responsibility and moral goals (Schwartz, 2003).

As students at a university with roots in the welfare state, it is almost impossible to be completely unbiased when it comes to the subject of HE. Therefore it has seemed logical for us to be critical towards changes, which could result in further commodification of universities. We do however, believe that we have used our bias and curiosity in a productive manner, in order to dig deeper into the subject of commodification and ranking of universities.

¹ Steven Schwartz is currently the vice Chancellor of Macquarie University in Sydney, but have previously been the Vice Chancellor of Brunel University, UK, and Murdoch University, Western Australia. It should be noted that all references to Schwartz in this project is from his time at Brunel and that his arguments is made with references to the British education system.
1. Introduction and Problem Area

“Abandoning their moral purposes has led universities to stress their utilitarian nature - get a degree and get a better job. Universities and their representative bodies routinely trumpet their economic impact. We have put so much emphasis on this aspect of our activities that the government now believes that universities exist mainly to bolster the economy.”


According to Ellen Hazelkorn\(^2\), the concept of ranking within higher education was first introduced in 1910 by James McKeen Cattell, in his writing: *American Men of Science*. Here, he measured the ‘scientific strength’ of the leading American universities based on their faculty’s research reputation (Hazelkorn, 2011: 29). Cattell did this by comparing the eminence of scientists employed as well as, the ratio of accomplished researches to the total amount of researchers at the university. The early rankings following Cattell’s, often included multiple factors ranging from graduates success in later life, student/faculty ratios in libraries to research produced.

The fast developing ranking industry, has had a substantial effect on how the world views HE. The current ranking lists have a considerable influence on how many students chose where to attend university, as well as how universities utilize their resources in today’s global world. But is this a desirable development, and is there such a thing as an objective ranking list? And in what way does this development affect the university as an institution?

In this project the main drive is a wish to investigate the purpose of HE and how this might have changed over the years, due to factors such as globalization, commodification and an increased competitiveness, which partly is caused by the introduction of global ranking lists.

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\(^2\) Professor Ellen Hazelkorn is the Director of Research and Enterprise, and Dean of the graduate school Dublin Institute of Technology, as well as a consultant for the OECD programme: Institutional Management of Higher Education.
According to Maureen McKelvey\(^3\) and Magnus Holmén\(^4\) (2009), European universities are in a state of limbo, changing from being a social institution into a business, exchanging knowledge. We wish to investigate this transition within European universities, as well as explore in what way ranking has played a part. Our main goal is to investigate the changes there might have been, with regards to the more morally based purposes of the university. The potential conflicts between acting in accordance to the private labour market and the needs of the individual, or in accordance to the public good, are highly debated subjects, and of great importance, due to the possible resulting societal changes. This is also why it is one of our main focus points debated and investigated in this project. When digging deeper into the subject, an in-depth discussion about values and purposes have proved to be of great relevance, since it is not realistic to argue that there is only one goal and one motivational factor behind attending HE.

To answer the problem definition below it has been necessary to define and investigate different concepts, and to use different theories and theorists. An introduction to these and to our research strategy is included in chapter 2.

### 1.3 Problem definition

In what way can it be argued that competitive ranking among universities is a form of commodification, and how does this influence the purpose and values of universities?

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\(^3\) Maureen McKelvey is a professor at the university of Gothenburg (Sweden), School of Business, Law and Economics, Sweden. She is in the Department of Business and Administration where her research area is “Economics of Innovation” but her work also include “the broader societal and political contexts of innovations” (IMIT (Online))

\(^4\) Magnus Holmén is an Associate Professor at the Department of Technology, Management and Economics at Chalmers University of Technology, (Sweden) (McKelvey, M.; Holmén, M., 2009)
1.4 Research questions

1. How can one, in a modern society, define HE as being commodified?
2. What measurements are universities ranked by?
3. How does the commodification of HE exemplify the development towards a consumption society (Bauman)?
4. In what way does the idea of positional goods relate to ranking?

2. Methodology and Theory

In this chapter, the main goal is to introduce the reader to our research strategy and use of theories. We have reflected upon our own limitations as first year students at a higher education institution (HEI), and in what way reliability and validity is insured in the project. We have introduced some of the main experts used in the project and furthermore, we have included a subchapter where we define different concepts used in the project.

2.1. Methodology

For this project we have chosen a mainly qualitative research strategy, where our focus is to investigate in what way ranking is a form of commodification, and how this influence the purpose and values of the institutions of HE. We argue that our analytical strategy is abductive since we are not, as done with a deductive approach, trying to prove our point by making a hypothesis on our subject. Nor are we basing our investigation on a single theory, which we want to confirm or reject, as being valid to our subject or not. Our approach has been to gain knowledge on the subject, based on secondhand empirical data and different relevant theories as well as to gain a theoretical understanding of our subject; not only in order to generalize and categorize, as done with an inductive approach; but in order to understand the development within the field of HE. This is done from the epistemological standpoint of interpretivism and by using
the ontological position of constructionism. This means that we seek to understand the structure and purpose of the institution of HE, while being aware that the purpose of e.g. the university as an institution, is different depending on the interpreter.

The main concept within interpretivism is the idea that interpretation is not only something we do, but something we are (Olsen and Pedersen 2005: 143), and that instead of looking at the social world as similar to the natural world, the purpose of social science research is to interpret and hereby get to an understanding of the social world (Bryman 2012: 380).

With this in mind, it is important to acknowledge that everybody interpret differently, which means that when dealing with abstract concepts such as values and purpose, it is important to define these. We argue that since the purpose of HE is not as such agreed upon (Schwartz 2003) we can only define the concept, and analyze the development of it, by looking into different interpretations and meanings of purpose, which we have done in chapter 3.

When using an interpretative methodology it is important to be aware and reflective upon one’s own bias and personal values, and how this might interfere with the objectivity of the research. In order to confront these complications and insure reliability and validity in the project, we have based our analysis and argumentation on a variety of different experts. Our choice of theory might be seen as rather critical towards the subject of commodification, but we have tried our best to present the different aspects and viewpoints available within the field of our investigation by using an abductive approach.

Our choice of analytical strategy should be understood with the limitation in mind, that we are still first year students and therefore lack significant knowledge about the variety of theories available.

### 2.2. Theories and Theorists

When writing this project, we have used different theories to back up our argumentation, and to gain knowledge about society. In the following sections,
we have made an overview over the different theories used in the project, and an introduction to the main theorists and sources is also included. Experts referenced to in the project, who are not introduced in this chapter, will be introduced briefly in footnotes.

2.2.1 Karl Marx

In order to define the concept of commodification we have used the definition made by Karl Marx. Marx was a German revolutionary economist (1818-1883), who worked with production conditions, capitalism and materialism. He is looked upon as the most influential person in the socialistic movements history, where he lead the way towards the liberation of the working class (Gyldendal, Karl Marx (Online)). He developed his social critique on a basis of a theoretical and historical analysis of the capitalist economy. In 1867, what is considered his greatest work, “Das Kapital, Kritik der politischen Ökonomie” was published, which was very radical for its time.

We have chosen to focus on how Marx defines a commodity, and thereby we are only taking a fraction of his theory into consideration in this project. In Marx' view a commodity is something with both use-value and exchange-value. If a thing is both useful and has the potential of being exchanged, it is a commodity. This concept will be elaborated further in chapter 5.1.

One of the limitations when using this theory is that it was written in a completely different time. When Marx' theory was made, the industrialization was spreading from England to other countries in Europe, and in many places this caused an increasing gap between the different social classes in society (Gyldendals, Industrialisering (Online)). Compared to our present society the context of the theory is very different, and therefore, a reflection of its time frame is necessary to take into consideration.

With the above in mind we find that Karl Marx's definition of a commodity is of significant relevance for our project, since before one can argue that universities are being commodified, one needs to define what a commodity is.
2.2.2 Bauman, Giddens and the Consumer Society Theory

When trying to analyze in what way commodification have had an influence on HE, we have found it relevant to look at Zygmunt Bauman’s idea of a postmodern consumer society. We have used this theory in order to gain a critical point of view and knowledge about society, in order to be able to understand the concept of consumption better, due to the fact, that consumption is highly relevant when discussing commodification.

Bauman’s theory about the consumer society deals with the development of society shifting towards being a society, which is mainly focused around consumerism and in which its citizens are identified as consumers instead of by, what was previously one’s main identifier, once occupational status as e.g. a worker. The theory is rather critical towards this development and Bauman’s rhetoric is primarily characterized by the use of exclusive and negative words, when trying to explain what it means to consume, e.g. “A consumer is a person who consume, and to consume means using things up”, “To consume also means to destroy. In the course of consumption, the consumed things cease to exist literally or spiritually” (Bauman, 2004: 23).

Bauman is a sociologist specialized in the field of the working class and cultural development, which is also the focus of this theory. His views on the development towards a postmodern society, surrounds the notion that institutions loses their moral authority (Gyldendal, Zigmunt Bauman (online)). This is interesting when discussing the moral purpose of the institution of HE. Another focus in Bauman’s theory is the development of one’s self-identity.

In chapter 6 we will further explore Bauman’s theory about the consumer society and relate it to the subject of HE and commodification. In chapter 6, and in connection with Bauman, we have used Anthony Giddens and his point of views concerning globalization and its consequences on society. Giddens is a British sociologist who is concerned with the development of modern society and the development of people’s self-identity (Andersen and Kaspersen: 383). In
the next chapter we have used both Bauman and Giddens to define and limit the concept of “modern society”

2.2.3 The Mode 2 Knowledge theory

Michael Gibbons, who is one of the head authors of the mode 2 knowledge theory, is currently the Secretary General of the Association of Commonwealth Universities and a former Director of the Science Research Policy Unit of the University of Sussex (OECD, (Online)). The other authors of this theory are also acknowledged characters within the field of social science.

The Mode 2 Knowledge theory was first presented in 1994 in the book “The New Production of Knowledge” written by Michael Gibbons, Peter Scott, Helga Nowotny, Camille Limoges, Simon Schwartzman and Martin Trow. The theory deals with the development of knowledge and argues that through time there has been a change, so that knowledge is being produced for different reasons than earlier - mainly due to commodification. It states that mode 1 knowledge, which is the traditional knowledge production, is produced by researchers, who are not influenced by other actors and thereby produce the knowledge they believe is important to their field. Mode 2 knowledge, on the other hand, is produced with influence by different actors, making the knowledge very specific and subjective. That said, mode 2 knowledge production is also more problem-oriented and combines the different strengths belonging to the different actors involved. Gibbons et al. (1994) argues that there has been a development where more and more new knowledge now gets produced as mode 2 knowledge instead of mode 1. This theory is relevant for our project because we believe that the development described, may be a part of the commodification of higher education. This theory will be further defined in chapter 5.3.

2.2.4 Positional Goods Theory

In this project, the economic, positional goods theory serves the purpose of analyzing as well as explaining the change there has been in society, which has
lead to the rise of a new market that values positional factors, such as status and prestige, factors which are shared by luxury goods. In addition to this, positional goods theory also brings to light some of the consequences of this societal change. This theory is very relevant when exploring the topic of HE and especially with regards to ranking, since it is argued that HE is a positional good, and furthermore, that ranking in many ways aid the appearance of positional goods.

Fred Hirsch first introduced the positional goods theory, in his book “Social Limits to Growth”. It has since then been developed on further by many scholars, but has most significantly been influenced and expanded on by Robert Frank.

In this project we will mainly focus on Frank’s definition and theory of a positional good, since it is more advanced in its analysis than Hirsch’s original theory. Furthermore, the two theories share many similarities, and differ from each other, only on limited areas.

Positional goods theory revolves around the notion of goods, which value is relative to other goods. Meaning, that the value of positional goods is determined by the value of other goods of the same kind. An example of this could be athletic ability. If two people race, the best at this race will be determined by whether or not he beats his opponent. Therefore, one’s athletic ability is determined not only by oneself, but by the other agents, striving for the same goal. What also characterizes positional goods is its zero sum competitive nature, which means that in order for one agent to obtain a positional good, it will be at the expense of another person, who will not obtain this good. This, Frank argues has resulted in a never-ending “positional arms race” (Frank, 2005: 139).

Many scholars, who have written and worked with positional goods, have focused on the consequences associated with the positional concept. This also includes Frank, which have resulted in that he generally seems slightly negative towards the notion of positional goods. This will be discussed further in chapter 6.
2.3 Structural Questions and Definition of Concepts

In this project it has been necessary to define different concepts. Some will be defined briefly below in this chapter, while it has seemed to be more relevant to define the overall concepts throughout the project.

The following structural questions have been questions, which we have asked ourselves in order to define the overall concepts used in this project:

1. How do we define commodification in this project?
2. What do we define as higher education?
3. How do we define the concept of “purpose”?
4. What is a consumer society, and how can this be related to the changes within higher education?
5. How do we define modern society?
6. What do we mean with competitiveness?

2.3.1 Competitiveness

When talking about competitiveness it is referring to one’s ability to produce the most attractive product and competitiveness is, in this project, used mainly in relation to ranking. We have defined ranking as being a form of competitiveness, which makes HE approachable from a demand/supply point of view. Ranking is further defined in chapter 5.

2.3.2 Modern Society

According to Giddens, the change from premodern to modern society should be defined with the development of social forms of organizations in the early 1600s in Europe. Giddens argue that “modernity” is a consequence of the development of capitalism, industrialization and the modern political system. He further argues, that it is defined by its fast changes and different institutions (Andersen and Kaspersen: 383). The modern society is, among other things, such as the
technological advancements within the workforce, urbanization and wage labor, characterized by the “commodification of all relations” (Andersen and Kaspersen: 383).

To add another element to our definition of the modern society, Bauman argues that we are now moving away from the modern society and into postmodernity. In addition to this, he argues that “the postmodern social contract is based on a seductive and privatized consumerist liberation...” (Andersen and Kaspersen: 422).

Our definition of the modern society will take into consideration both Giddens and Bauman, as we define the modern society as being the present, globalized world, and refer in particular to the welfare state as it is implemented in Scandinavia. As the project is about the changing purpose of HE in connection to commodification, we find it relevant to reflect upon the development within HE, in relation to the development from the modern society as defined by Giddens, to the postmodern society as described by Bauman. Our reflections about this will be described in chapter 9.

2.3.3 Values

When talking about values in this project it is important to differ between the economic use of the term, and the “softer” kind of values we refer to when talking about the higher purpose and moral values of HE. The economic use of the term “value”, is introduced with Marx's definition of a commodity in chapter 6.

When talking about “value” in relation to the purpose of HE, it is a reference to the different definitions of purpose made in chapter 4. We do not make a distinct difference between the uses of the term “value” and “purpose”, but we define the values as being within the purpose. Meaning, that the values connected to the higher purpose of HE, differ from the values connected to the practical purpose.
3. Higher Education

In this chapter it will be clarified how the concept of higher education is defined in this project, and a debate as well as a definition of the purpose of higher education will also be introduced.

In relation to the discussion of the purpose of higher education, we find it relevant to define the purpose of a public good. Therefore, a discussion about this, with a focus on the different kinds of public goods and the welfare state, is included in this chapter. In the end of the chapter a discussion about different definitions of “purpose” is outlined in relation to HE.

3.1. Higher Education - Now and Then

The institution of HE can be defined in numerous ways. When referring to HE in this project it is noteworthy, that it is a reference made mainly to universities (unless otherwise noted). Though, this does not mean that our investigation and conclusions might not fit with the development and changes within other institutions also categorized as being HEI. In order to fully grasp the purpose and development within HE, a historical perspective seems necessary, since many of the core values of HE were established many years ago.

Historically, the rise of European universities can be traced all the way back to ancient Greece and the establishment of Plato’s schools, called the Academy. The Academy was founded after Plato returned to Athens in 387 BC and here subjects such as astronomy, political theory, mathematics and biology was taught. The purpose of this academy can be explained as being to “provide a place where thinkers could work toward better government in the Grecian cities.” (The European graduate School (online)). This purpose is somewhat consistent with Jon Nixon⁵, who argues that the purpose of HE has been for the betterment of humanity, meant in relation to the flourishing of ideas, the common good of humanity, and the support of democracy (Nixon, 2010: 15). This also fits with

⁵ Honorary Professor of Educational Studies at University of Sheffield, UK.
Hugh Willmott’s idea about HE being meant to give the students culturally valued knowledge (Maringe and Gibbs, 2009: 11).

Even though the Academy was a public place and worked for the betterment of the Grecian society, the school of Plato cannot be seen as much of a public good; his lectures was not as such public and it is fair to say that it was a very exclusive club (Barnes, 2000: 31). This means that since its inception, HE has been mainly an option for the social elite, and according to Iosif R. Urs and Sorin Ivan, it was not until the second half of the 20th century and after the second world war, that universities in Europe and in the US started to open up to the rest of society, and massification became a reality. According to Ivan and Urs, economic development called for the need of education and “... the massification of higher education is governed by the principle of access and of social equality” (Ivan, S.; Urs, I. R. (online): 7).

Globalization has had a significant influence on the development of HE and Gibbons argues that “Not only has ‘knowledge’, in the form of world brands and massive (and instantaneous) data flows, become the key resource in the global economy, ‘scientific’ knowledge more narrowly defined has also become more highly integrated and distributed.” (Gibbons et al., 2003: 188). Maringe and Gibbs (2009: 11) follow up on this note by arguing, that through time there has been a change in production goods, due to globalization, communication technology and new knowledge. This has made a shift from production and transformation of raw materials to “the production, processing and transfer of knowledge and information” (Maringe and Gibbs, 2009: 11). The influence this has had, is described in the theory “Mode 2 Knowledge” which will be discussed further down in the project.

Hazelkorn, as well as many other experts, also believe that the introduction of global ranking is, to some extent, the result of globalization. This is, for example, based on her argument that the global economy (a direct result of globalization) has to a completely new extent, created a market of knowledge. Where dominance before has determined by land and raw materials, it is now new
knowledge, which holds the key to economic advance and nation success (Hazelkorn, 2011: 4-5). This ‘battle for excellence’ in the competitive global world, has called upon the need of a way to measure the institutions that produce these highly valued scholars. This, Hazelkorn argues, gave birth to the concept of global ranking.

Ranking of universities was introduced in Europe in 1998, however, the first global list was not made until 2003 (Hazelkorn, 2011: 30). This first global ranking list was created by the Shanghai Jiao Tong, *Academic Ranking of World Universities (ARWU)*. Its purpose was to determine the placement of Chinese universities in comparison to other countries’ HEI, due to China’s wish to have world-class universities. The list was quickly picked up by the rest of the world, and was by many considered a ‘wake up call’ for the university leaders and policy makers. Soon after the release of the list, various governments announced goals in accordance to this global list. An example of this being the university of Oslo, who proclaimed that they aspired to “*achieve a leading position in the Nordic region and be among the 20 best in Europe*” (Hazelkorn, 2011: 1). Thereby, a list originally made as a lobby tool, arguing for an increased funding in China, revolutionized the entire way that HE was perceived.

### 3.2 The Purpose of a Public Good

According to Nixon, the university should be considered as a public good. His logic is that: “*first, it provides a dedicated space within which to debate what constitutes the public good; second, it supports the development of an educated public with the capabilities and dispositions necessary to contribute to that debate; and, third, by fulfilling these two obligations it might be seen as a public good in its own right*” (Nixon, 2010: preface).

When considering HE as being a public good, Steven Schwartz argues that an overall purpose cannot be defined, unless a general definition of the purpose of a public good is agreed upon. He points out that a set of social goals is necessary in

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6 Chinese university
order to define what a public good is supposed to be - and do; otherwise it will only act as a mean without end (Schwartz, 2003). However, Schwartz himself has a clear opinion concerning the purpose and role of the modern university: “...what are the ends that universities should be striving to achieve? The answer is greater social justice. Universities contribute to a just society in two ways: by producing graduates who improve social life and by promoting social mobility." He argues that if social mobility is high and more young people participate in HE, it will create a more inclusive society, which according to Iosif R. Urs and Sorin Ivan is in line with the idea behind massification as described earlier.

According to both Nixon and Schwartz it seems as if the higher purpose of HE is to act as a public good - but what is a public good and what is the purpose of such goods? According to Heywood, a public good is described as “Goods and benefits that individuals or groups who do not contribute to their provision cannot be prevented from enjoying” (Heywood, 2007: 457).

In Scandinavia the welfare state offers a range of public goods, which is paid for solely or partly through taxes. Such things as education, health care and elder care is being defined as public goods - things and services that people who are not able to contribute to society cannot be denied. One could define the idea of a public good as a product of the welfare state. The role of the welfare state, hence the role of a public good, is one of the main building blocks in the 'Social-democratic State' which according to Heywood can be defined using words such as social justice, equality and fairness (Heywood 2007: 101). This leads us to define the original higher purpose of a public good, as being to increase social justice, social mobility and equality.

Now the higher purpose of public goods have been defined, we move on to defining different categories of public goods. Charlotte Hess\(^7\) and Elinor Ostrom\(^8\) (2003, p. 120), describes and explains Paul Samuelson’s theory about ‘collective consumption goods’, which describes the difference between goods which are

\(^7\) Associate Dean for Research, Collections and Scholarly Communication, Syracuse University Library, Syracuse, NY

\(^8\) Distinguished Professor in Political Economy, Indiana University, Bloomington
non-rival/rival and non-excludable/excludable. Within this theory they define four different kinds of goods:

- Public Goods
- Roll or Club good
- Common-Pool Resource
- Private Goods

A non-rival and non-excludable good is what Hess and Ostrom characterizes as a **Public Good** (Hess & Ostrom, 2003, p. 120). Non-rival means that this is a good, which if used by one does not prevent another from using it. Non-excludable means that there is no one who actively can exclude one from using the good. An example of a public good of this kind could be sunsets or breathing the air. If a good is non-rival but excludable Hess and Ostrom calls it **a Roll or Club Good**. An example of this could be cinemas because it does not damage one’s movie experience that another person is also watching, but it excludes people who did not pay to see the movie. If a good, on the other hand, is a non-excludable but rival good Hess and Ostrom calls it **a Common-Pool Resource**. This refers to a good like a library, which is open for everyone but rival in the sense that if one borrows a book everyone else is excluded from that particular book. The last good, which needs to be defined here is **the private good**. This could be almost everything one buys at a store, for example a t-shirt, which when on a human is excluded from other and if one does not pay, one is excluded from using the t-shirt.

In this project we have chosen to define the first three kinds of goods as being public goods since they do not exclude based on whether or not the individual using the good contributes to society.

According to Paul Samuelson’s theory concerning the four above standing kinds of goods, a university would be characterized as a Roll or Club Good. It does not damage one person’s education experience that another person is listening to the same lecture, but one only get a graduation diploma if one is accepted and
registered at the university. From now on, when using the term public good in relation to universities in this project, it will refer to the Roll or Club Good.

In chapter 6 a third good, the positional good (in contrast to the two ‘pure’ goods, these being public and private good), will be presented.

### 3.3 Defining The Purpose of Higher Education

“A place of flourishing must be treated as an irreducible whole in which everything is connected to everything else. If that is true of gardens and their husbandry, it is also true of the places committed to human flourishing and their stewardship. Higher education is one such place”

- Jon Nixon (2011)

As described earlier in chapter 3, the purposes of HE are many, but in general you can say that the modern university is centered around three purposes (Badat 2009):

- Production of knowledge
- Dissemination of knowledge
- Community engagement

According to Saleem Badat\(^9\) (2009) the main purposes of a university should first of all be to insure an understanding of the natural and social world through **production of knowledge** - research. The second purpose is the **dissemination of knowledge** on to students, which usually takes the form of teaching. Badat argues that the goal is to insure that graduates can think critically and that they have “a broad knowledge of other cultures and other times” (Badat 2009). Another aim is that students should have “some understanding of and experience in thinking systematically about moral and ethical problems” these goals seems to be consistent with the focus at European universities, where an overall theme have

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\(^9\) Saleem Badat is Chief Executive Officer of the Council on Higher Education in Pretoria. He is also the Vice-Chancellor of Rhodes University in South Africa (Who'sWho (Online))
been to ensure social goals, such as the development of the welfare state and insurance of general education (McKelvey and Holmén, 2009: 11).

A third purpose of the university is the idea of community engagement. Service-learning is another term used for this engagement with society, which is basically about interacting and being involved in the community in a way, where both the students and the community gain equal benefits from the engagement. This engagement should not be set as equal to the universities responsiveness to the surrounding political, economic and social context (Badat 2009). These three purposes all seem to fit within the idea of a public good. The purpose should be to insure the betterment of society and its citizens, and it seems as if the cornerstone is to insure that students gain an understanding and a moral responsibility towards the world. What is interesting for us to explore, is whether or not these purposes is, in fact, in practice, the main purpose of HE.

In this project we will use the concept ‘purpose’ in different ways, and have therefore chosen to categorize it in different levels. When referring to the higher purpose of HE, we reference it to the original and historical overall societal goals, which we have defined, in accordance to Plato, Nixon, Schwartz, Willmotts and to some extend also Badat. This higher purpose is very much defined in line with what Schwartz (2003) calls the universities ‘moral purposes’, which is a term we will also use in this project.

Since we argue that HE is considered a public good, it does not seem unreasonable to define the higher purpose, or the moral purpose of HE as something, which should be available for everybody, independent of social class and financial situation. Nor is it unreasonable to argue that, among other things, the higher purposes of HE is to encourage social justice and social mobility as argued by Schwartz, and that it should insure culturally valued knowledge as described by Willmotts and Badat. This should not only be seen in relation to the fact, that it is widely accepted that increased education creates higher social mobility (Though it can be discussed whether or not education in practice is equally available for all, hence whether or not education has any real effect in relation to social mobility (Giddens, 2011: Chapter 19)), but also in the sense
that “Graduates transmit these values to other people who did not attend university” (Schwartz, 2003). What Schwartz talks about here, is a social responsibility, which he believes is attached to the participation of HE and which fits with Badat’s idea of community engagement. In relation to social responsibility and the moral purpose of HE, William M. Sullivan argues that “Higher education entered the twentieth century by announcing its dedication to bring the powers of cultivated intellect to bear on the economic, social and cultural life of American democracy” and that “The universities proclaimed themselves in service to great, panhuman ideals” (Ehrlich, 2000: 20).

When referring to “the practical purpose” and “the individual purpose” of HE, we will refer to what Schwartz consider as being the “utilitarian nature” of universities (Schwartz, 2003). The education of the students, and research, will in this case be seen as the practical purpose of the university. This can be seen as a mean to reach the societal higher purpose of HE. But the mean can be a purpose in itself; the individual purpose for taking an education might not necessarily be to create social justice or to gain an understanding of moral and ethical problems. The purpose might be, being able to get a well-paid job, in order to live a certain lifestyle.

According to Harlan Cleveland10, these different purposes have created a clash in values within HE: “The outsiders want the students trained for their first job out of university, and the academics inside the system want the student educated for 50 years of self-fulfilment. The trouble is that the students want both...” (Schwartz, 2003). In relation to this debate Schwartz argues that universities have lost track of their higher purpose and that the cause of this, could be found due to religious reasons. He argues that most religious based universities easily can argue for their higher purpose by referring to their background and religious moral values, and that the modern universities, which decline religion, easily will end up only focusing on their practical usefulness, in contrast to the higher purpose and moral of the institution. This is not to say that a university without roots in religion cannot have moral values attached to its history and its goals. According

10 American author, educator and diplomat
to Schwartz, an increased focus on the practical and the individual purpose of HE, has lead governments to forget the moral purposes and to think that the main purpose of HE is to strengthen the economy (Schwartz, 2003). This leads Schwartz to conclude that there is no consensus about the goals and the purpose of higher education. The discussion of purpose will be continued throughout the project.

4. Ranking

In order to investigate in what way HE has been commodified through ranking, it is important first to have an understanding as to what ranking is, as well as, how they are made. The link between HE, commodification, and ranking will be discussed further in chapter 6. In addition to this, this chapter also includes the consequences associated with ranking. These consequences represent an interesting perspective, as we argue that ranking does have a significant effect on the purpose of HE, since they open up for the opportunity to further discuss if this development is reasonable.

4.1 How the Rankings are made

Today there are over 50 national ranking lists and 10 global lists. Up until 2011 all, with the exception of one, global lists relied on reputational factors, combined with a substantial emphasis on research and publications (Hazelkorn, 2011: 31). In 2011 the EU showcased a new global list, known as the U-Multirank, which may significantly change the way rankings are made. What sets the U-Multirank apart from the previous ranking lists is that it explores various dimensions and rank them separately, they then make a collective score or, profile of the given university, placing them accordingly to their profile in comparison to the other universities’ profiles (Hazelkorn, 2011:32). However, it was only a sample of 150 universities that was released in 2011, but the developers of the list have announced that a complete list will be ready in 2013 (U-Multirank (online))
We have chosen to focus primarily on one global ranking list in order to go more in depth with the specific way, in which they rank the universities. Since the different ranking lists share many common factors, with regards to their process of ranking, the conclusions that we make in this project are more or less relevant to all global ranking lists to some degree.

The ranking list, which we have chosen to focus on is the global list made by the Times Higher Education (THE). THE offers two different kinds of lists, one being based solely on reputation and one which is based on multiple other factors including income scales and citations. This project will take a closer look at the latter, since we find this list to be a better example of a more well rounded ranking, as well as the fact that THE markets themselves on the basis that they have produced the, "most exact and relevant world rankings yet devised" (Times Higher Education (online)).

The Times Higher Education list consists of 13 separate indicators, which are brought together under 5 categories, these being:

- Teaching- worth 30 percent of overall score
- Research- worth 30 percent of overall score
- Citations- worth 30 percent of overall score
- Industry Income- worth 2.5 percent of overall score
- International Outlook- worth 7.5 percent of overall score

The 13 indicators are shown in the diagram below together with their percentage weighing. THE’s world ranking list is highly dependent on an extensive survey, measuring the given university’s reputation. This reputational survey is answered by experienced scholars worldwide, and plays a very significant role when measuring the teaching quality and research, which can also be seen on the chart (Baty, 2010 (online)). When making ranking lists, proxies are almost inevitable, especially if the producers of the list wish to examine and rank more intangible areas such as teaching. THE for example, use the proxy of student to teacher ratios in order to assess the quality of teaching. The downside of using proxies are that they far from always reflect the truth. So far, however, a better alternative has been hard to find (Hazelkorn, 2011: 51).
Citation is often used by ranking lists, THE included, to show the quality of the research produced by the universities, and compared to some other ranking lists, THE has adjusted their measurement of citations, so that it is not measured per staff member, but per page in order for it to reflect research quality rather than quantity (Baty, 2011(online)).

Figure 1. “Weighting Scheme for Ranking Scores” (Baty, 2010 (online))

4.2 Consequences of Ranking

“It is almost impossible to take all appropriate indicators into account, to be sure they are correctly measured, and relevant for all different groups of stakeholders. No current league table of compiled indices is valid enough”

- Senior Administrator (Hazelkorn, 2011)
It is often argued that ranking lists are a part of the new trend of transparency, accountability and comparability that is spreading in the globalized world (Hazelkorn, 2011: 40). Transparency is in particular strongly focused on, as one of the positive things associated with ranking. The lists provide a lot of very useful, and enlightening information that, if utilized properly, can give a very good insight into the state of a given university. Many ranking lists, as shown by THE above, uses a vast amount of different measurements when making their overall score. Thereby, they contain a lot of detailed material concerning various aspects of the HEI.

Furthermore, ranking lists can serve as a motivational factor for both HEI as well as national policy makers, with regards to improving their educational standards. This is due to the fact that ranking takes something which previously has been hard to measure, this being education quality, and turns it into something which can be compared. By doing so, ranking creates a scene, which allows HEI's and nations to create concrete goals to strive for. This ability to make concrete goals, Latham argues, serves as a much greater motivational force than urging people to ‘do your best’ (Locke, 2008: 107). This element of motivation to improve the educational standards is, if handled correctly, something, which should be strived for.

In the global knowledge society, in which we live in today, it is necessary to be able to compare nations HEI, in order to uphold a certain level of standards. This can be seen when looking at the origins of ranking lists. The original ranking list, as explained earlier, was made in order for China to find out their position on a global scale.

Ranking of HEI is unfortunately not without problems. A lot of the critique that the concept of ranking has received concerns its validity. It has been discussed whether or not rankings are too black and white in what they measure and doesn’t take into consideration what kind of mission, or focus the individual universities have (Hazelkorn, 2011: 47). This specific problem is intensified when you are comparing universities across the entire globe, since educational
systems are designed very differently across nations, thereby making the lists lack genuine comparability.

Furthermore, the global ranking lists tend to "rely on that which can be (easily) measured rather than that which might be most appropriate" (Hazelkorn, 2011: 48). An example of this could be when discussing social responsibility and moral values within HE. Social responsibility is hard to measure, since it is highly value loaded. What the global ranking lists measure, can shape the decisions with regards to where the government and the institutions prioritize resources. Thereby, what the ranking lists consider worth measuring has an effect on what is being prioritized and considered important. This means that things such as social responsibility might be less prioritized in order to further prioritize things which, are easily measured and which can pull the university up on a global ranking list.

In addition to this, most of the data collected is also submitted by the HEI themselves, thereby creating a slight problem concerning bias (Education Insider (online)). It is however hard to do the rankings differently due to time constraints, etc. The rankings are also skewed by the fact that there is no such thing as an objective ranking, due to the value judgments and weighting made by the producers. Therefore, what may be a very important indicator of quality for the producers will most likely not be shared with the entire public. All global ranking lists contain citations and publications in their rankings, and often this data is collected from sources such as Thomson Reuter's Web of Science, Elsevier's Scopus, however, data collected from online databases such as Google Scholar are increasingly frequent. This data is used to show research productivity, but it is argued that this is rather unfair towards certain fields of study such as the arts, humanities and social science, where self-referencing is substantial (Hazelkorn, 2011: 50). By this unfairness towards self-referencing, it is meant that in subject such as natural sciences, new knowledge is easily produced, compared to subjects such as social sciences, which is more dependent of referring to established theories. Furthermore, these databases tend to be English language biased, which is increasingly problematic when measuring the research of universities on a global level.
Many ranking lists are, as shown by THE’s ranking methods, dependent on reputational surveys. The problem with these surveys is though, that they are a reflection of only certain people’s opinions, opinions, which can vary significantly depending on social groups (Hazelkorn, 2011: 76). A good example of this can be seen in a German study, which showed that private business schools received a high score from future employers, but a very low score from professors (Hazelkorn, 2011: 76). In this example it is very clear how considerably different a reputation, an institution can have depending on the viewer. With regards to reputational factors, much like with the previously mentioned citations, there has been an English language bias in the sense that the surveys have only been available in English. Certain ranking companies such as THE’s have however tried to overcome this bias by introducing the surveys in more languages such as Spanish, Mandarin, Japanese, French and German (Hazelkorn, 2011: 77). Other problems such as low response rate and insufficient knowledge of the rankers, have also questioned the reliability of the reputational portion of the ranks (Hazelkorn, 2011: 77).

The rankings are classified by transforming the score of the university into a single digit number, where the lowest number is the best, a technique that is often referred to as a league table (Hazelkorn 2011, 48). This boiling down of the collective score to a single number, often result in that the difference between the universities that are placed after each other, is so small that they are virtually insignificant (Hazelkorn 2001, 48). However, the way that the scores are represented, gives the viewer the impression that there is a big difference between a university ranked as number one, and one ranked as number ten, when really that isn’t necessarily true. In connection to this, many ranking lists only showcase the ranks of the top 500 university, even though they may have gathered information for more (Hazelkorn, 2011: 79). Since there is 15,000 HEI’s in the world, these ranking lists only actually display the top 3 % of all universities. Still, rankings lead to the perception that only the top 100 actually deserve the title excellent (Hazelkorn, 2011: 79). Therefore, we find that the representation of the ranks can be slightly misleading.

Associated with the above mentioned collection of data, is the problem that even though rankings can serve as a motivational factor for the universities,
the rather one dimensional ranking process makes it easy for the HEI’s to make small adjustment, which doesn't improve the overall quality of the university, but have a significant influence on their rank (Education Insider (online)). An example of this is the American university Clemson, which decided to only accept students with a higher SAT (standardized test for college admission) than they did the year before. By doing so they automatically increase their student average, without actually making any improvements (Education Insider (online)). However, many of these problems which surrounds ranking lists can to some extent be avoided, by clearly stating that these lists, represents the priorities of the producers, and what these priorities are. This way the lists can still be a very insightful tool, for students and parents who are researching their university options. By clearly stating their bias, they simultaneously strengthen their credibility. Furthermore, a ranking’s usefulness is very dependent on its audience, and what information they wish to obtain. Many universities use rankings as a way to insure new students and thereby funding, but does these ranks necessarily reflect the quality of teaching?

Though there are certain lists that compares by field or institutional type, there are many which do not, thereby creating a ‘one size fits all’ standard and a very narrow concept of excellence. This approach is often argued to be too one sided, especially on a global level. Whether or not it is possible to boil down everything that a university is, into one grade or score, also give grounds for very heated debate.

Having now investigated how the ranking lists are made, as well as the consequences associated with these lists, a better understanding of what a commodity, and the concept of commodification is, is needed in order to analyze how ranking has aided the commodification of HE. This will be investigated further in the following chapter.
5. Commodification

In order to analyze in what way HE has been commodified, a definition and a clearance of what a commodity is, and what it means to commodify, is as stated above, needed. For this purpose we have chosen to look at Karl Marx' definition a commodity (Marx, 1887) and tried to relate it to the modern age of a consumer society, as defined by Bauman (2004). We have also used the theory “Mode 2 knowledge” by Michael Gibbons et al. (1994) in order to show in what way the purpose of HE has changed over the years due to globalization, technological advancement and commodification.

5.1 Defining a commodity

The first thing Marx expresses in his definition of a commodity is that it is an object which is outside of us, meaning an object, which invented by humans or not, would still exist even if humans should stop existing (Marx, 1887). This thought rules out an idea and a concept, which before made into a reality only exist in the human mind. To be a commodity the object must also have qualities, which will satisfy human needs of some sort.

Marx separates a commodity's value into two different kinds, and both are needed in order to be able to define something as a commodity: The use-value and the exchange-value (Marx, 1887). When Marx describes the use-value, he argues that this is the value a commodity has with regards to its usability, Marx states that “use values become a reality only by use or consumption”. Thereby, we argue that everything has a potential use-value, but that the use-value is not expressed before use or consumption. The exchange-value is what Marx calls a quantitative relation between two objects. Simply said how many of one object (with use-value) will it take to get x number of another object (with use-value). So the exchange-value is how much one object is worth, in relation to other objects. Marx stresses that these relations constantly changes with time and place due to supply and demand (Marx, 1887). So the exchange-value of an
object today may not be the same as yesterday and so on. This may make the value of the exchange-value seem very coincidental but this is the function of a market - “to bring supply and demand into balance and establish the terms of exchange” (Gibbons, 1994: 12).

A commodity in Marx's terms is thereby defined as a material possession, which has both a use-value and an exchange-value. The exchange value is a quantitative relation to other commodities, often reduced to value in money and the use-value is of a qualitative kind.

5.2 To Consume, The Consumer Society and the Influence of Globalization

On the note of a commodity, Bauman defines consumption as to use something so it cease to exist, may it be in a literary or spiritual sense (2004: 23). He states that a good which is to be consumed, should bring immediate satisfaction and should require: “... no protracted learning of skills and no lengthy groundwork” (Bauman 2004: 25).

Bauman argues that the western society has moved from being a producer - to a consumption society, in the sense that society engages its members as such. He states that “… people are groomed and trained to meet the demands of their social identity” (Bauman 2004: 24). With this Bauman further argue that people are now replacing their identities as e.g. “workers” and are instead becoming “consumers”. He states that: “The role once performed by workers in linking together individual motives, social integration and systemic reproduction has now been assigned to consumer activity” (Bauman, 2004: 27). Consumers use consumption to be able to integrate themselves into their social “rank” and find their place in society, whereas before, in the society of producers, people found their identity through their line of work. According to Bauman, this development have caused a higher level of individualization due to the fact that it is now up to one self to create one’s social identity (2004: 27).
Anthony Giddens share Baumann’s interest for the development of the late modern society and he argues that “globalisation is fundamentally changing the nature of our everyday experiences” (Giddens 2011: 146). He elaborates by explaining that the profound changes within society have made the established institutions\(^{11}\) seem out of place, and that the changes caused by globalization have had a major impact on our everyday life, and the way we define ourselves. Giddens argue that we need to reconsider, among other things, “our personal identity, our interaction with others and our relationship to work” (2011: 146).

Bauman argues that the panoptical institutions (that is institutions such as factories, (Jacobsen and Pode, 2008: 182-183) and might also to some extend refer to some of Giddens “established institutions”), are not suitable for the modern society because they result in monotonous behavior and for people to work in routines, without the ability to choose. The choice and lack of routine is according to Bauman the quintessence of the consumption society, which can also be related to the individualization earlier mentioned. In relation to choice, he further states, with a quote from Max Weber, that habits should only lie “like a light cloak, ready to be thrown aside at any moment” (2004: 25). In the consumption society, Bauman argues that: “... nothing should command a commitment forever, no needs should be ever seen as fully satisfied, no desires considered ultimate” (2004: 25), and this also relates to one’s work-life.

When relating the idea of a commodity, and the consumer society to the institution of university, it can be argued that the product of knowledge does not take form of a material possession and can therefore, in accordance to Marx’s definition, not be seen as a commodity as such. What we have to keep in mind is that Marx is from another time, and according to Maringe and Gibbs knowledge was once a scarce resource, but with the rapid development in new ideas and new ways of doing things, knowledge has been multiplied and turned into a marketable product, where innovation is the currency of knowledge economies (2009: 11).

\(^{11}\) With “established institutions” we assume that Giddens also include educational institutions such as universities
With this in mind we choose to argue that university have been commodified and somehow, also due to competitiveness and ranking, it is being treated as a product.

By making global ranking lists, you create a way of measuring some of the use-values of the university, here it is important to add, in accordance to Hazelkorn (2011: 48), that since ranking lists have specific measurements, all the different use-values might not be included in the judgment of the individual university (as explained earlier with the example of social responsibility). At the same time an exchange-value is created by idealizing the fact that going to a top ranked university, gives one a better chance of getting a well-paid job when finishing. Therefore we have chosen to define the exchange-value as the practical purpose of HE and the original use-value as the higher purpose: The idea of gaining knowledge in order to improve society for the betterment of all its inhabitants - again relating use-value to the quality of the education and exchange-value to the idea of the quantitative outcome of going to university.

The making of ranking lists have made it possible for the consumer, in this case, the students, to get an overview and to be able to pick and choose between universities according to their ranking, and hereby turning universities into a commodity which is to be consumed according to the consumers wishes and demands. This is largely based on rankings ability to make something which was previously more abstract, into something which can be compared in a competitive market structure.

Relating Baumans idea of the consumption society to the education system, it comes down to the idea of people attending university due to practical and/or individual purposes - that is, to be able to live up to the social requirements demanded by society: To consume.

To be able to consume in modern society, money is needed, hence getting an education and a well-paid job afterwards, means the ability to consume more. This leads us to conclude that according to Bauman, the higher purpose of education loses its importance in a consumption society and it becomes more
about making money and consuming, than about gaining knowledge beneficial to yourself and the society. This relates to the theory “mode 2 knowledge” made by Michael Gibbons et al. (1994).

Maringe and Gibbs define commodification as “the production and delivery of goods and services for monetized exchange by capitalist firms in pursuit of profit” (2009: 10). They refer to the Marxist political economy, which argues that “commodification takes place when economic value is assigned to something that traditionally would not be considered in economic terms, for example an idea, identity or gender” (2009: 10). They argue that commodification consists of three parts: Goods and services are produced for exchange; exchanges are monetized; monetary transactions take place for the purpose of profit. With regards to education the way the education-exchange is monetized is “its potential to generate economic development and prosperity through innovation” (Maringe and Gibbs, 2009: 11). This means that one through one’s education learn different tools and ways of thinking, which on the labor market can be used for finding ways of making production more efficient or making the end result better.

Maringe and Gibbs (2009) express that the advocates of the commodification discourse, see that the commodity economy is replacing all other ways of producing and delivering goods and services, which means that all production will always be about profit.

Hugh Willmott states that the commodification “raises issues about the essential values of higher education in the development of the student as a person and as a carrier of culturally valued knowledge” (Maringe and Gibbs, 2009: 11). To him there has been a shift away from this above-mentioned development towards activities made to increase one’s personal exchange-value, meaning having more focus on metrics than personal and cultural development. Again the argument is that the focus has changed to a more practical and individual purpose, instead of focusing on the development of the society for the betterment of all its inhabitants.
5.3 Consuming Knowledge and the “mode 2 knowledge theory”

According to Maringe and Gibbs (2009) the only way of putting a price on knowledge is the potential of generating economic development and wealth through innovation. This is what they call “instrumentalization of knowledge” and they argue that this has caused the knowledge, which is easiest transformed into marketable products and services, to be particularly prized in a knowledge economy. This new consideration of knowledge as a tradable product changed university research because “a new set of demands is being made of universities, so that knowledge is increasingly being produced for, and in the context of, application” (Maringe and Gibbs, 2009: 11).

The theory “mode 2 knowledge”, made by Michael Gibbons et al., distinguishes between ‘knowledge-creators’ (academy) and ‘knowledge-consumers’ (industry and professions) (Maringe and Gibbs, 2009: 11). With this distinction came the outlining of university research increasingly being contextualized for trading. The usability is increasingly a bigger factor with regards to university research, when it comes to, not only what is being researched, but also how. Now the research is no longer done for its own sake. Gibbons et al. (1994) states that mode 1 knowledge and mode 2 knowledge are the two types of ways research can be made and that there has been a shift from the first towards the later.

Mode 1 is when research is being done within a disciplinary and homogeneity context, meaning research within only one field of science and done by people with the same skills and experience. Mode 1 is also hierarchical and tends to preserve its form (Gibbons et al., 1994: 1). Conversely Mode 2’s qualities are transdisciplinarity, heterogeneity, heterarchical and transient, meaning the research is done in multiple fields of science and by a range of people with different skills. Mode 2 is more of a dynamic network instead of mode 1’s hierarchy. Mode 1 is made in the context of practice relevant to a particular discipline, meaning research done because of the importance of research. Mode 2 on the other hand is made in the context of application, meaning that knowledge is always useful to someone – private or public actor. However, this means that
within mode 2, without the application, no research is being made (Gibbons et al., 1994: 4). Also the result will be very contextualized, meaning that mode 2 is mostly very specific kinds of research and therefore, the outcome will also be very specific (Gibbons et al., 1994: 17). With this contextualizing comes a bias, which means that “The research process can no longer be characterized as an ‘objective’ investigation of the natural (or social) world” (Gibbons et al., 2003: 187).

Gibbons et al. (2003) state that the knowledge is increasingly given more value than before the shift, but he states that this is because a new value has been put upon knowledge “... not in terms of their long-term potential, but in terms of immediate market return” (Gibbons et al., 2003: 182-183). Also they state that now, those who are paying for the research gets the rights to the results, which gives them the right to decide whether or not to publish the research results. This also changes the idea of science being a public good, “‘Knowledge’ is now regarded not as a public good, but rather as ‘intellectual property’, which is produced, accumulated, and traded like other goods and services in the Knowledge Society” (Gibbons et al., 2003: 185).

The way we will use this theory is to describe the ‘new’ knowledge focus of the modern society and how this have changed due to commodification. The universities, which in this theory are described as ‘knowledge-producers’, have a tendency to switch focus towards knowledge usability compared to the value of knowledge in itself. The whole Knowledge Society, which also contains students and possibly future students, will thereby be affected by this development. Students will therefore also put more focus on the usability of their gained knowledge, that is, putting the focus upon the practical purpose of their education.
6. Education and the “Positional Good theory”

Competition among universities has been around long before global ranking lists were even introduced. This competition can for example be seen in the US, with the Ivy League universities being formed in 1954. These Ivy League schools were commonly known for excellence within both education and athletics, and the spots at these schools were vigorously competed for (Marginson, 1997: 7). This competitiveness was largely based on the assumption that having a degree from a widely acknowledged university would increase one’s chances of getting a good employment following graduation (Marginson, 1997, 7). Simply put, HE was seen as having qualities similar to a positional good.

With the introduction of global rankings however, this notion of HE as a positional good was further strengthened and the focus on the practical purpose increased. Where the boundaries between elite and non-elite universities were only known to some in the past, ranking, together with the growing knowledge economy (which favored these elitist credentials), globalization propelled this notion, so that it became apparent to the masses (Hazelkorn, 2011: 20). The idea that the better positional goods, one obtain, the better chances does one have to experience success, both socially, as well as, economically is relevant with regards to Bauman. Especially this perspective of economic success can be linked to Bauman’s idea of the consumer society.

6.1 Defining a Positional Good

A positional good (also sometimes referred to as a relative good), was, as previously explained, introduced by economist Fred Hirsch, and has since then been further developed on, by Robert H. Frank, who defines these goods as being “goods for which the link between context and evaluation is strongest” (Frank, 2005). Goods where this link is weakest, Frank, considers to be non-positional goods. In order to show this, Frank has performed experiments where participants were asked to choose between two worlds that were identical in all
aspect except for one. In the first world, A, the questioned subject would live in a 4000-square-foot house, and others would live in 6000-square-foot houses; in world B, the subject would live in a 3000-square-foot house, and others would live in 2000-square-foot houses. Majority of the participants asked, chose world B, even though this meant that they would be living in a smaller house than in world A. In this case, house size is a positional good since the relative size of the house meant more to the subjects than the absolute size of the house (Frank, 2005). Thereby showing, that a relative scale determines the value of a house.

Figure 2 “The Triad of Economic Goods” (Vaterio 2011: 3)

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<tr>
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<th>Non-rivalry</th>
<th>Rivalry</th>
<th>Double-rivalry</th>
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<tbody>
<tr>
<td>Non-excludable</td>
<td>PUBLIC GOOD</td>
<td></td>
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</tr>
<tr>
<td>Excludable</td>
<td></td>
<td>PRIVATE GOOD</td>
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<tr>
<td>Double-excludable</td>
<td></td>
<td></td>
<td>POSITIONAL GOOD</td>
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Vatiero\textsuperscript{12} explores the placement of positional goods in regards to private and public goods. He argues that positional goods can be characterized as a branch of goods in its own right, which co-exist with private and public goods, in what Vatiero classifies as “the Triad of Economic Goods”, as shown by figure 2. Unlike the private goods, he argues that positional goods are double rival, since compared to private goods, agents striving for positional goods, are not only rivals on the positive consumption but also on the negative consumption (Vatiero, 2011: 3). This means that there will always be at least two agents involved in the consumption of a positional good and that the consumption for one agent will always affect the other agent’s consumption in a positive or

\textsuperscript{12} Professor Assistant and chair of Brenno Galli at the Department of Economics at the USI, in Lugana
negative way. Furthermore, Vatiero argues that positional goods are also double excludable, in the sense that the agent, who gain the positive consumption of a positional good, must be able to exclude not only others from the returns of this good, as well as be excluded from the returns of the negative consumption. This is due to the zero sum competitive characteristic of positional goods. In the case of HE, we argue that rivalry is determined by the qualitative factors, meaning the applicants qualifications. In addition to this, we argue that excludability of HE as a positional good, is determined by quantitative factors, these being the spots available at the top ranked universities.

When looking at public goods, these goods and positional goods share the similarities with regards to consumption, in the sense that Vatiero argues that positional goods has a ‘public-ness’ in its consumption (Vatiero, 2011: 7). The difference in consumption of public and positional goods lay in the sign of the consumption. For public goods the sign of consumption is positive since as discussed earlier in the project, the fact that one agent consume a public good doesn’t exclude other agents of consuming the same good. Unlike public goods, positional goods sign of consumption is negative, due to the fact that the positive consumption of such a good for one agent, results in the negative consumption of another agent (Vatiero, 2009: 2). This consumption difference will be discussed more later on in the text.

Vatiero further states that Hirsch’s most important contribution to the definition of positional goods, is that these goods are indisputably linked to social scarcity. Vatiero defines social scarcity as being “the relative standing of different individuals and arises not from physical or natural limitations, but from social factors. For instance, the land in Montioni Natural Park is physically scarce, while political leadership positions are socially scarce” (Vatiero, 2011: 4). This notion of social scarcity will be developed further by Marginson below.

6.2 Higher Education as a Positional Good

According to Marginson, positional goods have two unusual features, which he claims help shape the competition within HE. First, positional goods are scarce in an absolute sense as well as in a social sense. There is an absolute as well as a
social limit as to how many positions of social prestige exist, which is controlled by factors, outside of the education system. Since there are limited spots at the top ranked HEI’s, one person’s acceptance into a 1st ranked university is at the expense of another applicant. This is based on the fact that “only certain places in education can provide superior opportunities, or those opportunities would cease to be superior” (Marginson, 1997, 7). This concept is formally known as, zero-sum competition. Second, as a result of this, there is just as much competition between student consumers as there is competition between institutional producers, with regards to education (Marginson, 1997: 7). Though Marginson argues that positional goods are far from the only social and individual attributes produced in education, he argues that the more competitive HE gets, the more it seems to be determined by positional factors. As the knowledge economy pushes the notion of the more elite university one attends, the better career chances one has, people want to insure maximum economic return, and in this circumstance the goal of learning in itself is undermined (Marginson, 1997:7). It should be noted that this concept of insuring maximum economic return, is further strengthened by the high tuition fees associated with many top class world universities. This is however not the case with most european universities, where the education is paid through taxes, such as in the case of Denmark.

Frank argues that another characteristic of the competitiveness of positional goods, is that positional goods competition have no absolute goal, which is strived for, only a relative goal of staying ahead of other competing agents. Therefore, competitiveness for positional goods, knows no end, but is instead constantly pushed further and further. As mentioned earlier this notion Frank describes as the ‘positional arms race’ (Frank, 2005: 138).

Hazelkorn simultaneously argues that as ranking lists contribute to the competitive element in HE, steadily making HE into a positional good, it has increased the gap between elite and non-elites (Hazelkorn, 2011: 20). This being a result of ‘the winner takes it all’ concept, which follows positional goods.

As shown by Marginson above, positional goods are closely associated with the notion that those who obtain these goods have a heightened chance of
career success. Thereby, it can be argued that this also shows that the increasing attention given to positional goods, underline the growing attention given to the more practical purpose of HE, since the practical purpose of HE surrounds the notion of preparing and gaining skills needed for the labor market.

In addition to this, it is displayed by the definition of positional goods above, that the zero sum consumption associated with positional goods makes it highly excludable and rival, two characteristics that makes it the opposite of a public good.

7. Consequences and discussion

When dealing with the concept of purpose of HE in this project, we have defined different types. Our main distinction has been between the idea of a higher purpose and a practical and/or individual purpose. This distinction has appeared to be quite relevant and has been a consistent theme throughout the different parts of the project, where we have tried to figure out how the purpose of HE has changed due to commodification. A specific focus has been put upon ranking as a way of commodifying HE and we have found this to have a significant impact on the way we view HE today.

As stated in chapter 5 commodification is not the same as something being a commodity. Commodification focuses on the process of treating something more like a commodity than previously, thereby giving an otherwise more abstract concept, qualities similar to that of a product. Therefore, the concept of commodification varies due to the degree in which something has been commodified.

In correlation with the definition of commodification, ranking takes something that is intangible (in this case, HE) and turns it into something, which can be assigned a quantitative value - an exchange-value. This enables HE to take the form of a competing product and hereby enter a competitive market structure.
When discussing the idea of ranking there can be several ways of connecting this to competitiveness and commodification. It might be difficult to figure out what causes what, since the different concepts are very interlinked, and can have given birth to one another, somewhat similar to the discussion of whether the chicken came before the egg. It could be the case that they support, strengthen, and supplement each other, thereby developing a more competitive and commodified society. With this in mind, we acknowledge that ranking can be seen as a symbol of the global competitive structure of HE, but we simultaneously argue that global ranking lists are an example of commodification. These ranking lists increase the already existing competitiveness among universities.

The influence of commodification, and in specific ranking, has had a significant influence on the development of HE over the years. According to McKelvey and Holmén (2009) European universities will be pushed to act more like firms, and the universities, which are able to adjust and react flexibly to the changes will become successful (2009: 330). This development towards a more business-oriented focus seems to have caused an identity crisis and a clash in values with regards to the purpose of HE. The distinction between the idea of a morally responsible university, which works for the benefits of the public good and to better the society, seems to be in contrast to the more overall commodification of the society, where the values of the university seem to be more concerned with competition, ranking lists and economic gain from the usability of knowledge.

The new focus on usability have been described and discussed throughout the project, especially in chapter 5, with the ‘mode 2 knowledge theory’. Here it is described how there seem to be a tendency towards the notion that knowledge is no longer seen as valuable, without the ability to translate it into money. This could mean that if there is no demand for a specific kind of knowledge it will not be supplied – which creates the problem of subjective teaching/research. With ‘subjective’ it is meant, in accordance to Gibbons (2003: 187), that only the knowledge, which directly can be translated into a commodity, will be produced. This means that knowledge concerned with non-profitable issues might not be prioritized. This commodification of knowledge
has a significant influence since it seems to be the exchange-value rather than the actual use-value, which decides the importance of knowledge, and this does not seem to benefit the public as much as the few specific actors involved in the exchange. This is also why we argue, in accordance to Gibbons et al., that HE is developing into something else than a public good - a positional good or as Gibbons et al. says “intellectual property” (Gibbons et al., 2003: 185).

The argument about a clash in values within HE is further backed up in chapter 6 where it is argued that the shift towards HE becoming a positional good, partly caused by ranking, will have an effect on the purpose of HE as a whole. This is based on the fact, that, as stated in chapter 6, positional goods nurtures the focus of the practical purpose of HE, which, as competition grows, shadows the original higher purpose of HE. In addition to this, the zero sum consumption, which characterizes positional goods, greatly sets this good apart from both private and public goods, since every positive consumption by one agent, will result in negative consumption for another agent. Thereby, we argue that positional goods are the opposite of public goods, since the public goods have a positive sign of consumption. As a result of this, and since we also argue that positional goods focus more on what we have classified as the practical purpose, a shift towards HE becoming a positional good, would cover up the higher purpose of HE, since we have based this higher purpose on the public good character of HE. Also discussed in chapter 6, the zero sum competitive character of positional goods, means that positional goods have no absolute goal, but are instead determined by one’s relative position in relation to other agents. As discussed previously, this has led to a ‘positional arms race’. This seems to be highly relevant when looking at Bauman’s concept of the consumer society, since the notion of this consumer society revolves around the idea of never being fully satisfied (Bauman 2004: 25). Based on this, one could argue that the shift towards a consumer society, as well as the strengthening of positional goods could be co-dependent, due to their reinforcing nature of each other.

The change in purpose of HE has been further shown when looking at the specific focus points of THE’s ranking list. As described in chapter 5 we argue, in
accordance to Hazelkorn (2011: 47), that ranking lists focuses mainly on things, which are easily measured – which again leads us to argue for the fact that the moral values and the higher purpose of HE is forgotten due to an increased focus on the utilitarian nature of the university - that is the practical purpose of HE.

If going back to discussing the idea of HE being commodified in order to act more like firms it can be further connected to the arguments made by Maringe & Gibbs and Gibbons et al. about mode 2 knowledge. Here it is argued that the change from mode 1 to mode 2 knowledge makes the knowledge very specific and subjective, meaning that less new knowledge will be concerned with a broader societal understanding from an objective scientist’s view. Knowledge will no longer be produced for the sake of curiosity and interest in the natural and social world. Another characteristics of mode 2 knowledge are the focus upon usability, shown in the increased focus on flexibility, problem solving and interdisciplinary. An increased focus on these specific virtues have emerged within newer HEI’s such as Roskilde University (RUC) and Copenhagen Business School (CBS), which, if McKelvey and Holmén are right in their statement above, will ultimately be the winners due to their adaptable nature.

8. Conclusion

In what way can it be argued that competitive ranking among universities is a form of commodification, and how does this influence the purpose and values of universities?

To sum up, and to answer our problem definition above, it seems as if there is a cultural change, not only within the institution of HE but also in a broader societal context. Whether or not it is in the development towards a postmodern consumer society, as argued by Bauman, or it is into a new form of modernity, the globalization of the world has caused changes within all aspects of our lives and naturally also when it comes to HEI’s.
Based on our discussion in the previous chapter we conclude that ranking is a form of commodification, due to the fact that it has contributed to the change of HE, making it into something, which can be easily measured and exchanged.

Ranking lists have a significant role when comparing universities on a global scale, but it seems as if the usefulness of the ranking lists is getting stretched beyond its original intentions. This has resulted in the lists gaining a role as an important tool used by governments and the HEI’s to set new goals and develop upon the universities in order to compete for the highest ranking possible. We argue that there is a severe risk factor involved when using ranking lists in this way, since there, as explained in chapter 4, are some serious issues concerning the validity of these lists.

We recognize that in a globalized society, the ability to compare might be relevant, and that when used with caution, ranking lists can in fact be a great tool. But the great importance, which appears to have been ascribed to the ranking lists, seems to be misplaced and exaggerated to an extent that might in fact do more damage than good. This, we argue is noticeable when looking at what is valued as important by the ranking lists. Here things such as citations and industry income, is considered of great importance while things like social responsibility are not.

We argue that the original higher purpose of HE has been to insure social justice, equality and cultural awareness, through production and dissemination of knowledge focused on moral and ethical problems within society. The change of purpose within HE has occurred since the exchange-value of these kinds of knowledge is not as high, as on knowledge about tangible things, which can be directly transformed into commodities.

Our investigation in this project has led us to conclude that global ranking lists have been one of the factors involved when changing the focus and purpose of HE. This is because ranking, as an example of the increased competitiveness, strengthens the notion of HE as a positional good and has resulted in an even more intensified competition and commodification of the institution. This has led
to a change, where the focus is put upon the practical and individual purposes of HE, instead of on the bigger picture of acting in accordance to a public good, which works to ensure the betterment of all the inhabitants in society.

9. Perspectives

In the conclusion of this project we have argued that HE has been commodified and that this has resulted in a change in purpose within the institution of HE. We have argued that the purpose of HE has become more about individual preferences and that there is more focus on practical and usable things than on the higher purpose of HE. But what does this say about the society as a whole? Is this development solely happening within HE or is it in fact just an example of some broader tendencies in society, which shows that we in fact are heading towards a consumer society as Bauman argues?

Modernity has been defined by Giddens as an “interplay of a number of institutional dimensions. namely capitalism, industrialism, the surveillance and information control of the nation-state, and the development of military power” (Andersen & Kaspersen, 2007:383) If we, as Giddens argue, are in fact living in an era of modernity, characterized by this notion of an increasing need for commodification, commodification of HE may very well be a symptom of a greater societal change. Since there is an undeniable link between an increase in commodification and an increase in consumption, it could be argued that the commodification of HE, is a response to a growing demand for consumption by society. As explained in chapter 5, this increasing importance of consumption, plays a significant role in Bauman's theory concerning post modernity, in which he argues that, agents move away from classifying themselves as producers, and shift towards classifying themselves as consumers. With this in mind, it could be relevant to further discuss whether HE is in fact a victim or a driving actor, in this general movement towards a postmodern consumer society. When Bauman talks about the movement from a producer- to a consumer society he also argues that people are starting to define themselves on the basis of what they consume.
and not on what they work with. This may cause the universities to change attitude towards what classes they offer - they have to offer what the students want, irrespectively of whether it is in the best interest of the public or not. What is important to keep in mind here is that it is not necessarily up to the HEI to define what they want to prioritize - the government as well as the consumers (the students) have a big say - and so does ranking.

In addition to this, it could be relevant to further discuss, if it is reasonable to base such significant changes in HE on something as unreliable as ranking. This is based on our conclusion that commodification, in the form of ranking has had a significant influence on the purpose of HE, and that ranking, as discussed in chapter 4, is riddled with validity problems. It should be noted that ranking, as many other statistics, are to be read carefully since they are often skewed by the bias of their producers and the way they are presented to the public. Therefore we maintain that the ranking lists could restore some validity by clearly stating how the measurements are made, and by being aware, and stating their own shortcomings.

Even though we recognise that it could be argued, as done by Giddens, that in the society which we live in, commodification of all things are inevitable, it is still relevant to argue whether there are better ways of undergoing this transition.
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