

Market Logic in Higher Education: Rethinking with Sociological Imagination

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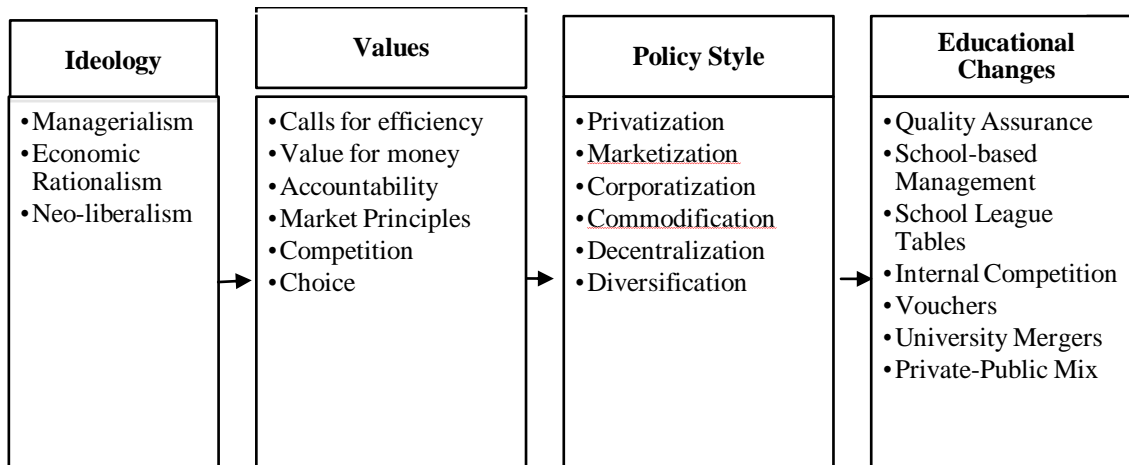
Abstract

Neo-liberalism seems to have pervaded all spheres of economy today, and higher education is no exception. From being solely state-funded socio-political priority it is considered more or less like a 'tradable commodity' or 'private good' today whose consumption is guided by market principles such as 'value for money'. Advocates of marketization of education assert that market through choice and competition would foster efficiency and quality in institutions. Resources will be allocated efficiently at both macro and micro level. Amidst growing demand and state's financial stringency, the private providers are seen as not only laying a helping hand in increasing access and absorbing demand but also as enhancing choice in the market. In short, widened access, funding, accountability, choice, quality and managerial efficiency are some of the perceived rewards/benefits from privatization of higher education (Mok and Tan, 2004). The question that arises here is whether fostering competition does improve the quality of education for all students and promote greater choice and diversity for parents and students. Is it even possible to apply the notion of 'efficiency' in education institutions? At the same time there are concerns about a growing hierarchy of educational institutions and implication of private expansion on social stratification. In this background, the present study attempts to build an understanding of sociological consequences of education driven by corporate/private ethos.

Introduction

Neo-liberalism seems to have pervaded all spheres of economy today, and higher education is no exception. The very character and role of higher education has undergone dramatic transformation. From being solely state-funded socio-political priority it is considered more or less like a 'tradable commodity' or 'private good' today whose consumption is guided by market principles such as 'value for money'. In such a scenario of growing 'economic rationalism' or 'managerialism' or 'neo-liberalism' the role of state too is modified. Moving away from its traditional role, the state is assigned the task of steering from a distance through regulation, incentive and sanctions to make autonomous individuals and quasi-governmental and non-governmental institutions such as universities behave in ways consistent with their policy objectives (Mok and Tan, 2004). Being guided by vision of weak state, neo-liberals believe in economic rationality, efficiency, accountability, fairness and justice of the markets, competition and consumer choice as the engines of social and educational transformation. The manifestation of such a 'corporatization', decentralization' and 'commodification' of education system is public-private mix in financing, provisioning and regulating; introduction of voucher system; technical standards of assessing quality; corporate style of managing educational institutions etc. The diagram below duly summarizes the existing state of affair in the sphere of education.

Figure 1: Managerialism, Economic Rationalism and Educational Changes



Source: Mok and Tan 2004

In the proposed market-led model of education system a very striking feature is complete disregard to social values of justice and fairness of opportunity. Concerns such as 'regard for others' and the 'process of achieving efficiency' are overlooked by advocates of market logic in education. If neo-liberalism lays stress on state's role in 'construction of market', then sociological imagination emphasizes its role in

‘construction of just society’. It is argued that in an inherently differentiated society (in terms of caste, class, gender, race etc) the state has a role to play in ensuring that the socially disadvantaged sections are not pushed out of the education system. Even if one goes to the extent of saying that market is ‘neutral’ in its impact on social stratification it is hard to defend that application of market in a differentiated society would only favour those with means and hence would exacerbate inequality. Therefore, as is proposed by few scholars, some sort of social engineering is required to be done by state to achieve the objective of social justice. Olssen et al. (2004) clearly identifies two distinct ethical frameworks that guide educational policies: the current neo-liberal utilitarian framework and the social justice as fairness framework that had traditionally informed education policies. Table 1 below, Ethical framework for educational policy puts forward a comparison of these two approaches. While In the neo-liberal framework, education is provided to those who prefer to have it, the distributive principle is utility, and the major social effect is disproportionate acquisition of resources by those in advantageous positions. In the social justice framework, education is perceived to be a primary social good, the distributive principle is fairness, and the major social effect is redistribution of benefits by limiting choice.

Table 1: Ethical framework for educational policy

	Neo-liberal Approach	Social Justice as Fairness
Primary social objective	Choice	Equity
What is distributed	Education as preferred good	Education as primary social good
Distributive principle	Utility	Fairness
Main criterion for resource allocation	Efficiency (invest to maximize aggregate gains)	Need (invest to improve opportunities for the least advantaged)
Major educational outcome	Increased educational productivity	Fairer distribution of educational benefits
Major social effect	Disproportionate acquisition of resources by most advantaged	Redistribution of benefits by limiting choice

Source: Olssen et al., 2004, p.217

In current scenario neoliberal approach clearly predominate any other frameworks; however it is imperative to gauge the implications of such one sided and narrow minded approach in education. In this background, the paper seeks to highlight the socio-cultural-ethical perspectives on the application of market principles in the operation and management of higher education institutions. A modest

attempt has been made towards building an understanding of sociological consequences of education driven by corporate/private ethos.

Advocates of marketization of education assert that market through choice and competition would foster efficiency and quality in institutions. Resources will be allocated efficiently at both macro and micro level. Amidst growing demand and state's financial stringency, the private providers are seen as not only laying a helping hand in increasing access and absorbing demand but also as enhancing choice in the market. In short, widened access, funding, accountability, choice, quality and managerial efficiency are some of the perceived rewards/benefits from privatization of higher education (Mok and Tan, 2004). The question that arises here is whether fostering competition does improve the quality of education for all students and promote greater choice and diversity for parents and students. Is it even possible to apply the notion of 'efficiency' in education institutions? At the same time there are concerns about a growing hierarchy of educational institutions and implications of private expansion on social stratification. The following sections deal with these concerns.

There is little doubt that private higher education providers offer compelling solutions as 'demand absorbers' for expanding/enlarging access in the face of growing fiscal constraints. Yet the 'access' is quite debatable until its consequences with regard to quality and equity are known. Education policy can't be simply guided by the general convention of 'more is better' as it is important to detect 'how' and 'where' the extra access is provided. Well with regard to 'where' the extra access would be provided, it is not hard to imagine that those with means (i.e. rich in economic, social and cultural capital) would only gain from the increased private provisioning of education and the marginalized sections would suffer from the increased cost of education and dilution of quota principle. In such a scenario it would not be wrong to conclude that the increased access would in fact be 'biased' or 'selective'. As rightly noted by Chattopadhyay (2012) if pricing of higher education is subject to the market, while access is determined by the ability to pay principle, not only are we excluding people from the lower income strata of society, we are merely expediting the process of further fragmentation of the society. Sometimes there can be cases of access via fraud wherein people procure a seat in private schools by making payments.

Further insights on 'how' increased access would be provided, helps us understand the linkages of expansion of private higher education and social stratification. The key question about educational expansion is whether it reduces inequality by providing more opportunities for persons from

disadvantaged strata or magnifies inequality by expanding opportunities disproportionately for those who are privileged. As the students exercise their choice in selecting institutions and courses, the institutions can also choose the students and the faculty to produce quality education. This leads to a consolidation of the hierarchy in the ranking of the institutions as the best minds veer towards the best institutions and the mediocre ones have to remain satisfied perforce with their relative position in the ranking (Marginson 2004 as quoted in Chattopadhyay 2007). Drawing from economic theory of adverse selection in higher education Chattopadhyay (2007) rightly points out that such an arrangement will have perverse effect on the socio-cultural diversity in the classrooms and the campuses. This is because students with affordability would settle for top quality institutions whereas students from weak financial background would have to settle for low cost institutions offering poor quality education. In such a situation by their very mode of organization, educational systems may tend to promote a sense that the boundaries between social groups are clearly defined and formidable rather than propounding that they are fluid and easily traversed (Brint and Karabel 1989). Infact as Cookson and Persell (1985) suggest that such segmented structures act as powerful instruments of class socialization which forge and recreate class structures from generation to generation. Brint and Karabel (1989) also suggest when higher education expansion occurs through hierarchical differentiation it is a process of diversion, whereby members of the working class are diverted from elite opportunities and are channeled to positions of lower status. Thus when private higher education expands, which occurs through hierarchically differentiated structure of institutions, social mobility is restricted and social inequality exacerbated.

Does competition lead to efficiency gains in an education market? It is presented that as institutions are forced to compete in the market; the good ones will thrive while those failing, will either be forced to improve or will be shut down thus benefiting all children. This utilitarian line of logic usually employed to defend neo-liberal ideologies and policies is flawed. "Where this involves an unequal distribution of resources, it is based upon the ability of people to profit from those resources and it is assumed that the resulting increased productivity eventually will provide benefits for all" (Olssen, Codd, & O'Neill, 2004, p. 220). Chattopadhyay (2007) also suggests that at the level of educational institution, the logic that competition fosters efficiency point towards a flawed understanding of an educational institution that there exists a well-defined relationship between inputs and outputs or there exists a production function for a higher education institution so that if the cost of providing education can be minimized through substitution among the inputs, output can be maximised. In fact, imparting good quality education entails higher cost. So, for a given quality of governance, efforts to cut costs may actually

result in poor quality as has happened in the case of the majority of the private sector institutions where quality has become synonymous with certificates or credentials and not competence. Martin Carnoy (2000) (as quoted in Lall and Rao) argues greater decentralization and privatization has generally not increased the quality of educational services and has produced more educational inequality. Further the claim of increased 'choice' to students is not well founded as private institutions are likely to offer labour market-oriented courses (Gebel and Rataj, 2012). In such a scenario possibility two systems operating, as envisioned by scholars, would get strengthened. One would be the existing system, largely funded by the government catering mostly to traditional courses and general streams at a subsidized price to the masses, particularly to the marginalized sections of the society, and the other is mostly privately owned domestic and foreign players catering to market oriented professional courses largely to the privileged class. This will widen gap and erode cohesion in the fragile societal structure in India.

It is only after careful examination of all these consequences of market logic in higher education, should policymakers decide their strategy. Building an understanding of the possible social implications is of great importance for the policy makers so as to achieve the objective of inclusive education and growth. As suggested by Chattopadhyay (2012) there is a need to explore the interface between the economics of education and other social science disciplines to contribute towards making humane/compassionate/considerate and context specific education policy rather than following a one policy suits all kind of approach.

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