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# Higher education and the market: influence and responses

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This article briefly considers theoretical assumptions about markets and then explores how internationalisation, globalisation and neo-liberalism relate to markets in higher education. To gain a better understanding of how markets manifest themselves in South Africa, it then explores how the three Western Cape universities (Cape Town, Stellenbosch, and the Western Cape) position themselves in relation to the market. What are the possible responses to markets in higher education? Three possibilities are explored. First, an institution of higher education may promote what Chomsky referred to as a "free marketplace of ideas". Secondly (but related to the first possibility), it may emphasise higher education as a democratic public sphere. Thirdly, it may refocus on equity within the South African higher education system.

## Hoër onderwys en die markte: invloed en reaksies

In hierdie artikel word die teoretiese veronderstellings van markte kortliks in oënskyn geneem en die verhouding van internasionalisering, globalisasie en neoliberalisme tot die hoër onderwys word ondersoek. Ten einde 'n beter begrip te kry van hoe markte in Suid-Afrika daar uitsien, word daar gekyk na hoe die drie universiteite in die Wes-Kaap (Kaapstad, Stellenbosch en Wes-Kaapland) hulself in die mark posisioneer. Drie antwoorde word gesuggereer op die vraag: wat is moontlike reaksies tot markte in hoër onderwys? Eerstens dat ons Chomsky se markplein van idees bevorder; tweedens dat ons hoër onderwys as 'n demokratiese publieke sfeer beklemtoon en in die derde plek dat herfokus word op gelykheid in ons hoëronderwysstelsel.

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The idea of markets in higher education (or the marketisation of higher education) is evident in education policy such as the National Plan for Higher Education (NPHE). In this document the Ministry of Education (2001: 8) acknowledges that the most important consequence of the absence of a national plan has been the development of a competitive climate between public higher education institutions. This competitive climate has been fuelled by the emergence of a market in higher education as a result of a growing private higher education sector. Reddy (2001: 68) concurs that the *interregnum* that followed the National Commission for Higher Education (NCHE) and the Education White Paper 3 — the five-year period between 1996 and 2001, led to a market-driven higher education system which the Council on Higher Education (CHE 2000: 17) describes as characterised by a lack of institutional focus and mission coherence, as well as rampant and even destructive competition.

The Ministry regards the intensified competition between public higher education institutions as the product of two related factors: a decline in student enrolments in the late 1990s and financial constraints resulting from pressures on financial resources. Financial constraints have been an important factor in the rise of markets in higher education. To gain a better understanding of markets, some theoretical assumptions will be explored below.

## 1. Theoretical assumptions about markets

In formal parlance, a market is a means of organising the exchange of goods and services based upon price rather than upon other considerations such as tradition or political choice. The use of the term “market” in higher education often implies, but does not always specify, the additional assumptions of perfectly competitive markets, under which conditions the allocation of goods and services will supposedly be optimally efficient for society at large (Dill 1997: 168). Dill further states that when the dynamics of a particular sector such as higher education are examined, it is important to recognise that there is not a single market, but rather multiple and interrelated markets. These include not only the market for programmes of higher education, but also the separate market for research and the labour market for academic professionals. Kruss (2004:

677) explains the link between universities and the labour market by stating that the universities' role in education and training traditionally had two mandates — a core focus on general education and a secondary focus on professional education. Accordingly, two dominant models (to teach people to think and to explore the unknown, and deferred employment pending professional education and training) linked these roles with the labour market in South Africa.

As far as markets in higher education are concerned, the literature suggests that in many Western countries, governments are becoming less involved in the steering and funding of higher education. A common and understandable reaction of universities has been to develop new market-orientated activities in order to serve two important strategic goals simultaneously. In the first place, they are strengthening their ties with (business and) society; secondly, they are earning additional income to compensate for decreasing governmental budgets (Mouwens 2000: 47).

There are a number of rationales for the introduction of markets and/or market-like forms of higher education systems (Dill 1997: 172). Foremost is a desire for economic efficiency understood as “value for money”, particularly in the light of the growing cost of meeting social demands for universal access to higher education. Also important is a desire to use market competition as an incentive for greater innovation and adaptation in higher education than was thought possible by means of traditional forms of co-ordination relying on state control or professional norms. The introduction into higher education of government reforms encouraging competitive research grants systems, greater reliance on tuition fees and incentives for private fundraising are therefore examples of the application of market instruments in academic reform.

Mouwens (2000: 50) considers three possible scenarios for markets in higher education. In the minimum market scenario, the university aims at maximum public funding, so substantial government influence must be accepted. Market influences and income are accepted insofar as they are unavoidable or necessary. Creating synergy between “regular” purely academic, publicly funded tasks and market-orientated activities is not a strategic goal. In the maximum market scenario the university aims at a maximum market share for its market-orientated activities.

Again, synergy between publicly funded regular tasks and market activities is not a real strategic objective; in the best case, it is a pleasant and advantageous consequence. In the selective market scenario, on the other hand, the goal is a strong synergy between regular tasks and market activities. This is only possible and worthwhile if a careful selection has been made of specific themes and fields of interest within which the strengths or core competences of the university can be combined with opportunities in the “market” for higher education and research. For this purpose, some special analytical procedures may be used for strategy-making within universities.

Markets in higher education can therefore be associated with decreased state funding, a deliberately market-focused strategy, the change of higher education from a social institution to an industry and academic capitalism. These trends force universities to become more competitive in order to boost student numbers, to attract the best staff and to conduct market-related research. This results in the kind of competition which the CHE (2000: 17) characterises as rampant and destructive. In essence, universities compete in order to survive. But what is bad about competition? Competition among universities replaces earlier paradigms of the “community of scholars” in the common pursuit of learning and may ultimately lead to a decrease in the generation of new knowledge. Competition also raises problems of conformity and lack of creativity. Bostock (1999: 4) argues that such competition may further erode the objective of providing a skilled and educated workforce.

How does the traditional academic culture differ from the modern market culture? The former may be characterised by the following features: it is dominated by the creation and transfer of knowledge and by professionals; it is organised according to “historical” structures; it is predominantly funded by the government; it is not focused on profit or money, and a government takes the main strategic decisions are in the hands of a government. The modern market culture, on the other hand, has the following characteristics: a firm belief in the working of the market; a focus on money and profit; a belief in competition; respect for clients/customers and their demands; strategic decisions taken by management, and effective, efficient organisation (Mouwen 2000: 54-5). There are fundamental differences between these two approaches and

friction may be expected when institutions adopt a market-driven culture, whether partially or totally. In Mouwen's (2000: 56) words,

[...] the best way to combine the traditional academic activities with the modern requirements of [the] market and society can be realised by reshuffling and expanding the university's core activities and re-defining its structure.

Globalisation is cited as a reason for market orientation in higher education. Subotzky (1999: 401) argues that globalisation has significantly altered the patterns of research, development and production. In turn, this has generated new organisational forms and practices in higher education knowledge production. As a result, a strong trend towards the "entrepreneurial" or "market" university has emerged. Drawing on Slaughter & Leslie, Subotzky asserts that universities are functioning increasingly as market or market-like organisations. Slaughter & Leslie (1997) call this growing involvement in market activity "academic capitalism", which consists of both direct market activity (which seeks profit) and of market-like behaviour (which entails competition for external funding without the intention of making a profit, such as grants, research contracts and donations) (Ylijoki 2003: 308).

Neo-liberalism is often linked to globalisation (cf Ntshoe 2002; Subotzky 1999; Torres & Schugurensky 2002), and is thus also cited as contributing to markets in higher education. McChesney (1999: 7) describes neo-liberalism as the defining political economic paradigm of our time — it refers to the policies and processes whereby few private interests are permitted to control as much as possible of social life in order to maximise their personal profit. Giroux (2002: 428) observes that under the rule of neo-liberalism, politics are market-driven and the claims of democratic citizenship are subordinated to market values. What becomes troubling under such circumstances is not simply that ideas associated with freedom and agency are defined through the prevailing ideology and principles of the market, but that neo-liberalism has what appears to be an unassailable appeal to common sense. Giroux (2002: 429) argues that within neoliberalism's market-driven discourse, corporate culture becomes both the model for the good life and the paradigmatic sphere for defining individual success and fulfilment. This emphasis on corporate culture also points to the idea of the "corporate university".

The “corporate university” is a direct result of markets in higher education. Corporatisation means that universities are assumed to be very similar to large business and therefore capable of being run as businesses (Bostock 1999: 2). Corporate universities are expected to raise a much greater proportion of their revenue, enter into business enterprises, acquire and hold investment portfolios, encourage partnerships with private firms, compete with other universities in the production and marketing of courses to students (who are now seen as customers), and generally engage with the market in higher education. The corporate university is predominantly characterised as an institution that pursues technical excellence and follows a supplier/customer model of the basic educational relationship (Bostock 1999: 2-3). In this model, presidents and provosts are inclined to seek a “mission” that translates as vocationalisation, which entails leasing or selling huge portions of the curriculum and research products directly to companies (Giroux 2000: 336). Bostock (1999: 12) argues that the role of the university as a critic of society is compromised when universities become subordinated to market forces.

The introduction of markets to higher education seems to touch on the latter’s very nature. Gumpert (2000: 67-91) diagnoses a macro-trend whereby the dominant legitimising idea of public higher education has changed from higher education as a social institution to higher education as an industry. The perception of higher education as an industry views public colleges and universities primarily as quasi-corporate entities producing a wide range of goods and services in a competitive marketplace. A social institution may be seen as an organised activity that maintains, reproduces or adapts itself to implement values that have been widely held and firmly structured by the society. When one uses the concept of “social institution” as a lens through which to examine the institutional imperatives for public higher education, one sees educational organisations as devoted to a wide range of social functions that have been expanded over time, the development of individual learning and human capital, the socialisation and cultivation of citizens and political loyalties, the preservation of knowledge and the fostering of other legitimate pursuits for the nation-state.

### 3. An exploration of markets at three South African universities

The analysis now shifts to a limited exploration of the ways in which the three universities in the Western Cape province have addressed the phenomenon of markets in higher education. Each of them has a regional connection and an urban character, yet together they represent a microcosm of the national scenario as historically engineered and refined by the apartheid government. An analysis of their institutional plans indicates how they have positioned themselves within the broader institutional landscape of a democratic South Africa. It is within this historical context that I contend that a study of these universities may provide an important basis for exploring markets in the South African higher education system.

#### 2.1 The University of Cape Town (UCT)

The marketisation of higher education is unmistakably part of UCT's rolling plan and the institution is, in line with international trends, looking more to the market to increase and diversify its sources of income (UCT 1999: 9). UCT is concerned about the aggressive entry of well-known foreign universities into the domestic arena (UCT 1999: 1). Such interventions have come at a very difficult time for South African universities, which are facing greater internal competition to attract students, as national projections show that student numbers will not increase significantly in the short to medium term. To have foreign institutions competing for limited student numbers also complicates issues of equity and access. The accountability of foreign institutions is a further point of concern.

On the export of higher education (providing higher education to foreign students), UCT's goal is increased international contact and partnerships, including the admission of high-quality international students (UCT 1999: 8). This goal clearly signals UCT's intention of entering the higher education export market. This raises the question: is the export of higher education good for equity and redress? Two related but separate concepts are relevant here: "globalisation" and "internationalisation". (Both will be discussed in the next section.) The latter is not new to South African universities as it relates to aca-

ademic exchanges and collaboration. This may be viewed as a positive tendency, as it enables our institutions to integrate fully into the international community of scholars. In the light of South Africa's apartheid past, which isolated the country's institutions from its international counterparts, this integration may be regarded as important for scholarly work. Academics need to exchange and share ideas in order to learn from one another. This makes it imperative for South Africa's academics to deliver conference presentations and put their work in the public domain.

## 2.2 The University of Stellenbosch (US)

The US creed is that the problem of access to higher education has now been replaced with the problem of supply to higher education. This is explained as follows: it is no longer a question of competition among prospective students for a limited number of student places or of discriminatory mechanisms for preventing prospective students from obtaining student places on the grounds of race or on other non-academic grounds. Instead, the US authorities argue, it is now rather a question of competition between universities for a decreasing number of suitable candidates (US 1999: 14). It has been demonstrated that the university has the capacity to deliver specialised research and development services (for which there is a huge demand) to industry and to society at large, and at competitive prices (US 1999: 16). The US (1999: 16) declares that "international competition necessitates high-quality products". It asserts that the information and knowledge revolution entails new demands, opportunities and risks for universities, and considers market forces as a South African reality (US 2000: 5-6). Judging from these references the US, like the UCT, seems to be moving towards increased marketisation.

The question of the export of higher education is also addressed, and the US management (1999: 69) intends to provide detailed advice and meaningful assistance to local and foreign academics and students by disseminating information on internationalisation with a view to facilitating the international mobility of the university community. Students from approximately fifteen countries in Africa study at the US (1999: 4). In 2002, there were 1310 foreign students (out of a total of 19 106 contact students), which is about 0.7% of the total



student population. Is this good or bad for equity and access? The US has not been very successful in attracting large numbers of African students (1482 in 2002), and this situation calls for urgent attention. This would suggest that the export of higher education does not address the equity imperative.

### 2.3 The University of the Western Cape (UWC)

The authorities at the UWC (2000: 14) consider that the marketisation of higher education is likely to lead to a preference for research with precisely measurable outcomes, tight time-frames, and external funding, which may potentially undermine the long-term basis for research excellence. It seems as if the UWC is concerned that marketisation may have a negative impact on basic or traditional university research. Bawa & Mouton (2002: 315) argue along similar lines, observing that there has been a shift away from basic and fundamental research towards the support of strategic, applied and product-related research. There are clear indications of a redistribution of research resources towards the applied and product-related end of the spectrum, and this reflects a response to local needs and to global changes in knowledge systems (Bawa & Mouton 2002: 316). In view of all this, UWC's concern appears to be legitimate.

Furthermore, in a climate of declining resources, competition with private higher education institutions, and re-orientation towards national goals, there is likely to be heightened competition among institutions for funding, students, areas of excellence, and research/training contracts or partnerships (UWC 2000: 14). Market-driven forces and new patterns of self-interest are also having an impact on the size and shape of higher education in South Africa (UWC 1999: 8).

Globalisation (as a world trend accelerated by information technology) and transformation (as a national project) are cited by UWC (2000: 12) as the two main forces shaping higher education in South Africa. UWC's management asserts that there are potentially dangerous conflicts of purpose between these two sets of demands. For example, globalisation favours technological solutions, while national transformation requires widespread job-creation; globalisation requires high levels of education and cutting-edge research, while national transformation requires a massive growth in literacy and numeracy; globali-

sation is associated with international commerce, while national transformation must place the poor high on the agenda. The UWC authorities (2000: 14) caution that the thrust towards globalisation and a free market economy may lead to increased unemployment and poverty. They argue that people may become expert in applying knowledge in pursuit of specific objectives, but lose the capacity and the moral sense to determine which objects and ends are worth pursuing for the common good.

The foregoing discussion of the situation at the three universities indicates that these institutions are moving towards the marketisation of higher education (also referred to as academic capitalism), and citing declining resources as a contributory factor. Does academic capitalism offer any benefits in terms of equity and redress? It seems to be shifting the focus from the immediate aim of providing access to previously disadvantaged groups to the more lucrative alternative of obtaining much-needed funds. One way of attracting more funds is to increase student enrolments; all three institutions want to attract more international students. This will necessitate closer examination of the concept of “internationalisation” in the next section. There are positive aspects to internationalisation; universities should certainly not be denied the opportunity of looking for co-operation with institutions abroad. Such co-operation, it is posited, is necessary to help South Africa’s universities recover from the academic isolation experienced during the apartheid era.

A possible concern is the question of how increased market activities will influence important issues such as equity and access. Increased marketisation may be negative as it emphasises financial benefits. It follows that universities may choose not to admit applicants who are poor or unlikely to pay their tuition fees. While this makes financial sense, it may seriously undermine equity and access.

### 3. Internationalisation and globalisation

Internationalisation and globalisation appear to be key concepts linked to markets in higher education. This section, therefore, will attempt to unravel the meanings of these concepts and their possible implications for higher education.

What is to be understood by the terms: the “internationalisation” of universities. Bartell (2003: 45) maintains that it is far from being a clearly defined and understood concept. Ellingboe defines internationalisation as:

[...] the process of integrating an international perspective into a college or university system. It is an ongoing, future-oriented, multi-dimensional, interdisciplinary, leadership-driven vision that involves many stakeholders working to change the internal dynamics of an institution to respond and adapt appropriately to an increasingly diverse, globally focused, ever-changing external environment (Bartell 2003: 46).

Ellingboe (1995) spells out five components, which are integral to a more complete understanding of the process applied in internationalising a university. These are: college leadership; faculty members’ international involvement in activities with colleges, research sites and institutions worldwide; the availability, affordability, accessibility and transferability of “study abroad” programmes for students; the presence and integration of international students, scholars and visiting faculty into campus life, and international co-curricular units (residence halls, conference planning, student centres, houses for cultural and linguistic immersion, student activities and student organisations). These components are positive and much-needed activities for our universities.

Internationalisation has become a key feature of South African higher education over the last ten years, as can be seen from the growing links between South African and overseas universities. On the formal level, universities have signed agreements and more academics from abroad are visiting South Africa. Such links are very positive, allowing for the sharing of ideas, and exposing staff and students to international perspectives.

Ellingboe’s definition also indicates a distinction between “globalisation” and “internationalisation”. According to Scott (2000: 1), internationalisation conjures up a world of diplomacy and of (ineffective) international agencies, in which the overweening influence of the former “great” imperial powers still lingers, while globalisation conjures up the exciting world of the internet, mass travel, tourism and world-wide popular culture (Scott 2000: 1). However, there is no essential difference between these two movements, except perhaps in their scale and inten-

sity. In a rhetorical sense, Scott (2000: 2) argues, internationalisation has always been part of the life-world of the university.

Bartell (2003: 46) contends that internationalisation conveys a variety of understandings, interpretations and applications, anything from a static, minimalist, instrumental view, such as securing external funding for study-abroad programmes, through international exchanges of students to conducting research internationally. For Bartell, internationalisation is a complex, all-encompassing and policy-driven process, integral to, and permeating, the life, culture, curriculum and instruction as well as the research activities of the university and its members. Exchanges, research, curriculum and instruction relate to academic issues, and may be separated from broader issues related to globalisation. They are by no means unaffected by globalisation, as “academic capitalism” and the “marketisation of higher education” clearly demonstrate. In the final analysis internationalisation appears to be less disruptive and more useful to the future of universities than globalisation. This is because internationalisation facilitates the global integration of academic concerns.

Globalisation appears to be an essentially contested concept that refers to diverse processes embracing political, social, technological, economic and cultural changes (Rizvi & Lingard 2000: 421). Jones (1998: 145-6) hold similar views and delineates three types of globalisation, namely economic, political and cultural. Higher education occupies an ambiguous role in that it is both the lever and the instrument of globalisation, whilst simultaneously being the historical repository of a nation’s intellectual achievement (Huisman *et al* 2001: 1). Higher education is important in globalisation due to its role in the production of knowledge.

Responding to globalisation often requires the university to add further activities to its range of responsibilities, not least because of the onus on universities both to participate in it and at the same time to continue to uphold “national” and “local” knowledge traditions (Neave 2000: 16). Globalisation therefore brings a new, international dimension to existing knowledge traditions. The Education White Paper 3 (Dept of Education 1997: 10) emphasises the development of professionals and knowledge workers with globally equivalent skills. This means that South African professionals must be trained to compete internationally. With globalisation thus comes the notion of “global

citizens” which requires a new form of education aimed at enabling such citizens to live and work with people of different races and cultures (Ketudat 2000: 39). Does this not contribute to the so-called “brain drain”? Indeed, the tendency is in line with global economic trends. It provides a means for economic growth, which is a central feature of globalisation.

It is possible to see a number of common international themes in the reactions of higher education policy to globalisation and its impact on changes at the institutional level (Porter & Vidovich 2000: 456-7). Common elements include the following:

- Significant per capita government budget reductions have been experienced in higher education, with institutions being expected to do more with less;
- There has been a significant push to diversify income by increasing non-governmental sources of revenue (such as tuition/fee increases, appeals to alumni, recruitment of overseas students);
- An increased commodification of knowledge as intellectual property has occurred, particularly with regard to connecting the intellectual work of universities with the interests and priorities of the community, business, and government;
- A reorganisation of higher education has been promoted by national governments in order to relate it more closely to national economic agendas;
- “Ministerialisation”, or the increased power of politicians, has characterised political processes during this period;
- The pressures for new forms of accountability have increased on all levels;
- Governments have established “quality” movements in higher education, which are intended to monitor or audit institutional processes and outcomes, with funding being increasingly tied to the results;
- Discourses of managerialism have become pervasive, having been imported into education from the private sector via earlier reforms in the public sector;

- Concerns with social justice and equity issues in higher education have been evident, most clearly in expanding access to higher education in terms of numbers of places and types of entry, as well as in increasing diversity of modes of study — both campus and technology-based;
- A preoccupation with higher education finance issues has developed at national levels, and
- There has been an intensified public and political debate about the role of universities in contemporary society.

Given that globalisation has been a defining feature of South African higher education over the last decade (CHE 2004: 238), it is not surprising that these common themes are applicable to this country. Waghid & Le Grange (2002: 5) explore the issue of whether globalisation offers the possibility of achieving a higher education system commensurate with moral notions such as justice and equality. They argue for a move towards distributive justice in accordance with the Justice as Fairness thesis of John Rawls, which can be linked to the concerns with social justice and equity issues already referred to. This connection between globalisation and distributive justice is highly pertinent, given the unjust arrangement that characterised higher education during the apartheid years. Since distributive justice has to do with the proper distribution of benefits and burdens among people (Jones 1999: 3), it is possible that through its means black South Africans may be granted an equal and fair opportunity to become globally competitive citizens. For instance, higher education can enable people to acquire the skills and qualifications that will render them more employable in national and global markets.

Moja & Cloete (2001: 245) identify two major effects of globalisation on institutions in South Africa. The first is that institutions are expected to become open to competition, to be more competitive, to identify core business, to plan according to cost centre accounting and to have a flexible, retrainable and redeployable staff, who are efficiently line- or project-managed. The second major effect has to do with the changing role of knowledge, information and information technology. Globalisation presents challenges for South Africa in the fields of information technology, knowledge, human resources, institutional restructuring and a new relationship between government and institutions, as well as a globally competitive market (Moja & Cloete 2001: 252).

Globalisation is having a huge impact on education policy developments in South Africa and the current educational transformation is underpinned by global imperatives. This is enhanced by the fact that the country's transition to democracy has coincided with a renewed focus on globalisation, and the fact that South Africa was isolated economically, culturally and politically for many years as a result of apartheid. Educational transformation cannot, therefore, escape global developments, which complicate our transition. Tensions develop in balancing local needs with global objectives. Policy, like globalisation, cannot escape contestation, which is good for democracy. How, then, do we contest educational policy in the light of globalisation? Possible responses to markets will be suggested in the next section.

To return to the question as to whether higher education export is good for equity and redress: on the one hand, if access is denied to national applicants, it will be detrimental to equity and redress; on the other, international exchange serves the useful purpose of exposing students and staff to international ideas, which may enhance scholarship.

#### 4. What are the possible responses to markets in higher education?

There are three possible responses to markets in higher education. First, to promote what Chomsky (2003: 189) refers to as a "free marketplace of ideas". Secondly (a related point), to emphasise higher education as a democratic public sphere. Thirdly, to refocus on equity within the country's higher education system.

The entry of the "market" into the academic world is inevitable and will lead to fundamental changes in the strategic positioning of universities in the landscape of higher education. The question arises: how does one deal with markets in higher education? Dill (1997: 183) observes that competitive markets may have a place in higher education, but that there are a number of important questions about the assumptions, design and impacts of market-related policies that are deserving of careful research in the years to come.

To increase entrepreneurial activities is not in principle in contradiction with maintaining traditional academic values (Ylijoki 2003: 309). On the one hand, it is important that universities and depart-

ments adapt to changing external conditions and engage in market-oriented activities. On the other hand, however, it is equally important to secure the position of basic research and the values and morals attached to this core function of the university, which he calls the “academic heartland”. The two kinds of values and morals — academic and market-oriented — may be accommodated in such a way as to co-exist within academia.

The three responses to markets in higher education will now be discussed. First: the promotion of a free marketplace of ideas. According to Chomsky (2003: 192), this has the task of extending, and limiting, the freedoms that universities currently enjoy. He argues that the university should compensate for the distorting factors introduced by external demands, which necessarily reflect the distribution of power in extra-university society, and by the dynamics of professionalisation, which, though not objectionable in itself, often tends to orientate study toward problems that can be dealt with by existing techniques and away from those that require new understanding. The university should be a centre for radical social inquiry, as it is already in the pure sciences. For example, it should loosen its institutional forms even further to permit a richer variety of work, study and experimentation as well as providing a home for the free intellectual, for the social critic, for the irreverent and radical thinking that is desperately needed in order to escape from dismal reality.

Secondly, higher education should be viewed as a resource vital to the democratic and civic life of the nation, which needs to be safeguarded as a public good against ongoing attempts to organise and run it like a corporation, because the university is the only institution of any size that still provides cultural dissidents with a platform (Giroux 2002: 450). Giroux argues that higher education must be embraced as a democratic sphere because it is one of the few public spaces left where students can learn the power of questioning authority, recover the ideals of engaged citizenship, reaffirm the importance of the public good and expand their own capacity to make a difference. Central to such a task, as far as the university is concerned, is the challenge to resist becoming a consumer-orientated corporation more concerned about accounting than accountability, or whose mission, defined largely through an appeal to excellence, is comprehended almost exclusively in terms of a purely instrumental efficiency.



Giroux (2002: 450) further argues that higher education may be removed from its narrow instrumental justification by encouraging students to think beyond what it means merely to get a job or to be an adroit consumer. For Waghid (2002: 11) an instrumental justification of education searches for its (education's) extrinsic use to the individual (learner) and the community. He argues that education cannot be adequately justified according to empirically verifiable extrinsic reasons, since such a justification would ignore reasons constitutive of education. He contends that a justification for education should primarily be sought for reasons intrinsic to it. Giroux and Waghid both appear to argue against the exclusively instrumental justification of education that seems to be emphasised by the market approach. Giroux is correct that, to refocus on education, students need to learn how to take responsibility for their own ideas, take intellectual risks, develop a sense of respect for others different from themselves (which emphasises the non-instrumental justification of education) and think critically in order to function in a wider democratic culture. At issue here, as Giroux states (2002: 451), is providing students with an education that allows them to recognise the dream and promise of a substantive democracy, particularly the idea that, as citizens, they are entitled to public services, decent housing, safety, security, support during hard times and, most importantly, some power over decision-making.

Thirdly, higher education in South Africa should refocus on equity (fairness) and redress (addressing undeserved inequalities). An important point raised in the introduction to the National Plan for Higher Education (NPHE) is that the goal of redress for disadvantaged institutions, which formed a key recommendation in the report of the National Commission on Higher Education (1996) and the Education White Paper 3 (1997), remains largely unattained. This is a direct result of the shift in focus from equity and redress to globalisation.

While acknowledging that such redress has not been attained, the NPHE clearly points out that this does not imply that it is no longer relevant. The NPHE (Ministry of Education 2001: 11) suggests that the focus of institutional redress must shift from current notions, which are narrowly focused on the levelling of the playing fields between historically black and historically white institutions. The NPHE further suggests that the key question is "redress for what?" and that the main

purpose of redress must be to ensure the capacity of institutions to discharge their institutional mission within an agreed national framework (Ministry of Education 2001: 11). In accordance with theories of globalisation, redress funds are linked to performance improvement and efficiency measures. What this suggests is that historically black universities, which were severely under-resourced by apartheid, must now first conform to efficiency measures before they can receive redress funds. Attaining such efficiency is a major challenge, and failure to conform to efficiency measures impacts negatively on the viability of institutions.

Ntshoe (2002: 7-10) considers that the NPHE is strong on rhetoric relating to the imperatives of equity, redress and social inclusion, but disappointing because of the sterile strategies it proposes to achieve those outcomes. He argues further that the policy decisions for achieving equity and redress are clearly influenced by the New Right ethos that has shaped the government's macro-economic policy — Growth, Employment and Redistribution (GEAR) and the Size and Shape document. He concludes that the NPHE is clearly influenced by the globalisation agenda which underpins government's policy directions. He (2002: 7) comments that the Reconstruction and Development Programme (RDP) focuses primarily on fundamental issues of equity, social justice, reconstruction and development, while GEAR signifies the government's surrender to the imperatives of the globalised neo-liberal and New Right ethos not only as strategies for economic reform, but also as strategies for political and social reform.

While it is clearly essential to refocus on equity, the literature suggests that globalisation works against this aim. In this regard Torres & Schugurensky (2002: 429) posit that the concerns about equity, accessibility or the contribution of higher education to social transformation, which were prevalent in previous decades, have been overshadowed by concerns about excellence, efficiency, expenditure and rates of return. For them, the notion that higher education is primarily a citizen's right and a social investment — which has been taken for granted for many decades — is being seriously challenged by a neo-liberal agenda that places extreme faith in the market.

Despite the difficulties articulated by Ntshoe (2002) as well as by Torres & Schugurensky (2002), the predominant challenge to institutions should remain the achievement of equity and redress. Cloete (2002:

415, 442) indicates that equity was the pre-eminent transformation demand during the first policy phase, which lasted from NEPI (1992/93) to the Education White Paper 3 (1997), and that equity should remain a focal point because the evidence reveals a very complex picture. For instance, the Council on Higher Education (CHE 2004: 91) remarks that with respect to staff equity, despite some small gains, major challenges remain, and that higher education institutions have struggled to meet the equity targets required of them. Cloete observes that change can be attributed mainly to institutional responses and the impact of the market, and much less to government policy than might have been expected from the policy proposals and processes.

## 5. Concluding remarks

Marginson & Rhoades (2002: 281) argue that globalisation processes in higher education are under-studied and under-theorised. This is certainly the case in South Africa. While reduced government subsidies play a key role in the markets in higher education, it is true that in South Africa universities still receive substantial funding (in fact the bulk of it) from government sources. The result is that our universities may be considered as hybrids, operating within traditional academic cultures while simultaneously exhibiting features of the modern market culture. From the present analysis the conclusion may be drawn that the three universities in the Western Cape province are leaning towards increased marketisation.

There are indications that markets in higher education, fuelled by globalisation and neo-liberalism, will be with us for the foreseeable future. Global developments may present further challenges. In this vein Altbach (2004: 21) observes that in many ways we are moving into a new era of globalisation in higher education, characterised by the new international agreements drawn up to manage global interactions. These arrangements between countries range from bilateral agreements relating to student and faculty exchanges to the mutual recognition of degrees; for example, the many binational commissions governing the American Fulbright Scholarships and exchange programmes. An indication of the potential impact of globalisation is the debate over the inclusion of higher education and knowledge industries within the framework of the World Trade Organisation (WTO)

through the GATS (General Agreement on Trade and Services) proposal. GATS seeks to establish 'open markets' for knowledge products of all kinds, including higher education. The idea behind GATS — and for that matter, the concept of globalisation — is that knowledge is a commodity like any other and should be freely traded around the world. The proponents argue that free trade will benefit everyone by permitting competition in the marketplace of ideas and knowledge products. More research is needed on the implications of GATS at the national and the institutional level.

Likewise, more research is needed on the interplay between markets in higher education, globalisation, internationalisation and neo-liberalism, at both the national and the institutional level. A better understanding of such aspects may enable South Africans to respond better to the challenges peculiar to this country. It is necessary to recognise that, in the words of Marginson & Rhoades (2002: 282),

[...] today, higher education in every corner of the globe is being influenced by global economic, cultural, and educational forces, and higher education institutions themselves (as well as units and constituencies within them) are increasingly global actors, extending their influence across the world.

Moreover, work is needed that considers local responses and realities, explores local institutions and investigates local practices (Marginson & Rhoades 2002: 281). Such work will enable this country to respond more appropriately to markets in higher education.

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