

# CHAPTER 4

## Developed Universities and the Developing World: Opportunities and Obligations

*Robert M. Berdahl*

### INTRODUCTION

**A**mong the scores of books written during the past decade about globalization — so many, in fact, that some by different authors bear the same title<sup>1</sup> — none has captured as many readers as Thomas L. Friedman’s *The World Is Flat: A Brief History of the Twenty-First Century* (2005). It has sold several million copies and been on the *New York Times* bestseller list for well over 100 consecutive weeks. Friedman’s discovery that the world has flattened, which he compares to Columbus’ voyage to the new world, came to him as he visited the campus of Infosys Technologies in Bangalore. Globalization, Friedman believes, has come about as a result of the convergence of a number of political and economic phenomena, but the underlying cause is technological change. He is, he admits, a technological determinist. He is also a cheerleader for the process of globalization, with an optimistic, neo-liberal confidence that free markets are the basis of human freedom and that global free trade, with its global supply chain of production, produces collaborative and thereby amicable relationships.

In this flat world, relatively devoid of boundaries, driven by knowledge and technology, victory lies with the swiftest and the smartest. Friedman writes: “If you are a knowledge worker making and selling some kind of idea-based

---

<sup>1</sup> See, for example, Joseph E. Stiglitz, *Globalization and Its Discontents* (New York, 2002), and Saskia Sassen, *Globalization and Its Discontents* (New York, 1998).

product —consulting or financial services or music or software or marketing or design or new drugs — the bigger the market is, the more people there are out there to whom you can sell your product. And the bigger the market, the more new specialties and niches it will create. If you come up with the next Windows or Viagra, you can potentially sell one to everyone in the world. So idea-based workers do well in globalization, and fortunately America as a whole has more idea-driven workers than any country in the world... That is why America, as a whole, will do fine in a flat world with free trade — provided it continues to churn out knowledge workers who are able to produce idea-based goods that can be sold globally...” (Friedman, 2005, p. 230).

The reason that Friedman’s book has attracted so much attention in the United States is the nagging concern that we are in fact *not* continuing “to churn out knowledge workers”. The deep concern is that our schools are not preparing students adequately, and that our colleges and universities are not producing enough scientists and engineers for the country to remain competitive in the global economy (NAS, 2007). Americans thus have read Friedman’s book with some alarm, aware that a globalized economy means more competition and more outsourcing. Not everyone is so sanguine about the positive effects of this new reality. Harvard’s Michael Sandel calls the Friedman’s flat world, “just a nice name for the ability to hire cheap labour in India” (Friedman, 2005, p. 205).

Whether or not one agrees with Friedman’s optimism about the positive and peaceful consequences of globalization, it is difficult to dismiss his assessment of its inevitability as it pertains to higher education or any other aspect of the knowledge-based global economy. Nothing provides clearer evidence of global competition in higher education than the fact that we now have, for the first time, a worldwide ranking of universities.<sup>2</sup>

## GLOBALIZATION VALUES

In the discussion of globalization, I believe several things need to be noted. First, globalization is not a value-free concept. Although it is viewed by many, like Friedman, with optimism and a strong sense of inevitability — Globalization 3.0, as he refers to it — globalization is laden with ideology. The technological revolution in communications, the internet and large-scale computerized information systems make it possible to conduct business on a planetary scale in real time. This is the essence of a global economy. This technological transformation happened at the same moment as socialism collapsed in Eastern Europe and the Soviet Union, and free market capitalism, increasingly

---

2 See the ranking of universities compiled by Jiao Tong University in Shanghai.

deregulated in Western Europe and the United States, emerged triumphant. Globalization thus has taken place in the framework of neo-liberal economic theory, with its confidence in the efficacy of the market, and its call for the privatization of public goods. The logic and ideology of globalization are an unfettered world market for labour, finance and goods.

Second, globalization is thus a new phenomenon, different in form from internationalization. Internationalization presumes the agency of the national state, it presumes an international market or a structure of exchange mediated and, in varying degrees, controlled by the national state. Globalization presumes a world market, one which is beyond the reach of the nation state. Global manufacturing, for example, is determined by the location of cheapest labour costs, which nation states are relatively powerless to regulate because regulation would simply result in the manufacturing moving elsewhere. When markets were largely national, the state had the ability to soften their harshest effects; with global markets, the force of the state is much more attenuated. Even immigration policy, presumably within the sphere controlled by the nation state, is increasingly difficult to regulate in the context of a global market for labour.

These same economic and political transformations have shaped higher education. The logic of the free market has profoundly altered the role of higher education virtually everywhere. Whereas for much of the 20th century, higher education was viewed as a public good, worthy of public investment because of the broad benefits it yields for society as a whole and the importance to democratic institutions of a well educated populace, higher education is now viewed primarily as a private good, with those who receive the education the primary beneficiaries. It is the logic of the market of individual competitors that those who gain should also be the ones who pay. In the United States, where educational fees at public universities were historically relatively nominal, state support has declined and fees have increased. Universities have adopted cost-centred budgeting mechanisms that resemble market-driven business systems. At some public universities, those segments which are capable of generating their own revenue, especially business schools and law schools, have been largely or completely privatized. Colleges of engineering, whose graduates are deemed to be in higher demand in the employment market, often charge higher fees than other undergraduate programmes in their universities. In fundamental ways, the social contract that had governed public higher education in the United States has been re-written, making it conform more fully to the logic of the market.

These changes have been accompanied by the effort to provide financial support for those unable to afford the increased costs. But within the framework of high-tuition, high-aid, the primary increase in aid has been in the form of guaranteed loans, so that the cost of education is still borne by those who benefit individually, not by the society at large.

The United States has not been unique in this process. Throughout most of the OECD, this phenomenon has occurred, beginning with Thatcherism in Britain, Reaganism in the United States, and the re-introduction of fees in Australia in 1986 and the legislation of the 1990s that enabled Australian universities to set their own fees and generate their own revenue.

The “privatization” of public universities, especially in the United States, has proceeded in other ways as well. Public universities began to emulate private universities in their pursuit of private gifts and the building of endowments. The passage of the Bayh-Dole Act in 1980 allowed universities to license the patents their researchers developed with federal grant funds, increasing the collaboration of universities with industries dependent on the intellectual property they created. Although industrial support for basic research in universities remains a relatively small percentage of the whole, it is growing. An example is provided by the agreement of British-Petroleum with the University of California, Berkeley, Lawrence Berkeley National Laboratory, and the University of Illinois in Urbana-Champaign. The process of privatization has made universities increasingly entrepreneurial.

The logic of the market has affected universities in another profound way: it has defined the purposes of universities largely in terms of their role in economic development. Knowledge-driven economies require education systems that produce new technologies, but, more importantly, that produce a workforce to serve these technologies. This is not entirely new, of course; nor is it, in and of itself, a bad thing. Universities have long played an important role in the economic development of their societies; the land-grant university, arguably the most significant American contribution to the development of universities, clearly anticipated this role for universities. Clark Kerr defined the mid-20th century research university as a “multiversity”, in service to the corporate world. But universities have never been so essential to economic development as they are today. Economic growth has become the primary justification for improved public investment in higher education.

The problem with the overwhelming use of this economic justification for universities is that it ignores or overrides their other fundamental purposes. The role of the university as a centre for free and open debate about the values of society or the nature of social justice is overlooked. The role of the university in preserving and critiquing its national culture or understanding other cultures is treated as secondary importance. Education as the process of self-discovery and preparation for meaningful life is of less importance than education as preparation for economically productive life. Higher education as the foundation for citizenship in a democratic society, expressed in countless engraved walls of public universities across the United States, is seldom mentioned as a fundamental objective. The report of the Commission on the Future of Higher Education, known as the Spellings Commission, the assess-

ment of the current role of higher education in the United States, concentrates almost exclusively on the need to prepare students for a competitive labour market.

## OPPORTUNITIES AND OBLIGATIONS

All of these changes form the context for the primary topic of this paper, the opportunities and obligations of universities in the developed world toward their counterparts in the developing world.

The global knowledge-based economy has generated an enormous growing demand for university graduates. The World Bank estimates that the number of students seeking university degrees will grow from about 100 million today to roughly 160 million in 2025; others estimate that the number could reach a quarter of a billion, with most of that enormous growth taking place in the developing world. This growth, which can be of tremendous benefit to countries undergoing development, provides remarkable opportunities for the mature universities in the United States, Europe and Australia. One response of the developed countries is to recruit students from the developing countries, primarily from Asia. American graduate programmes in science and engineering would be severely handicapped were it not for the flow of students from abroad, and American high tech industries increasingly depend on a supply of Indians and Chinese who have received graduate degrees in the United States. The CEO of the second largest bio-technology company in California, with a market cap of \$29 billion, recently commented that last year his company had hired only one native-born American Ph.D. last year.<sup>3</sup> Australian universities have turned to international students as a revenue source for sustaining their universities.

A significant number of universities are working to meet this global demand for education by developing constructive programmes in developing countries. Cornell, Carnegie Mellon, Case-Western, SUNY-Buffalo and the University of California at Berkeley and San Diego have entered into a partnership with AMRITA University and other Indian universities. The American universities will encourage members of their engineering faculties to spend a sabbatical term at AMRITA, while AMRITA will extend its e-learning centre, making it possible to transmit educational programming to educational institutions throughout India. While expanding educational opportunities in India, this programme also aims at reversing the decline in the number of Indian students coming to the United States for graduate education. Other major American universities have also developed affiliated programmes in India, virtually all of which have a primary focus on engineering.

---

<sup>3</sup> Conversation with the author, April 2007.

Collaborative programmes between US institutions and China have also grown in recent years. Johns Hopkins' Paul H. Nitze School of Advanced International Relations offers two programmes with Nanjing University. Yale has a joint undergraduate programme at Peking University in Beijing and, in what may be one of the most creative collaborations of all, has built a graduate-research Institute of Developmental Biology and Molecular Medicine with Fudan University in Shanghai. A recent proposal by the ministry of education in Pakistan seeks international partners for the building of ten new universities in Pakistan, all of which would be institutes of science and engineering. The list of these joint ventures or proposed joint ventures could go on.

It is difficult to find fault with these ventures. Most are high quality, contribute to the educational resources of the countries in which they are located, and help build the capacity of these developing countries. It is important to note, however, that the primary concentration of virtually all of the programmes is in technical and professional disciplines, especially engineering and business. This is, of course, where the demand is. It is also the case that only the very technical courses or specialized business or professional programmes are capable of producing the level of revenue necessary to maintain the programmes without government subsidies or substantial support from private donors.

Because of the costs involved for traditional universities, the rapidly expanding demand for education worldwide is also being addressed by a large number of for-profit institutions. The for-profit sector represents the fastest growing element in American higher education, with dozens of for-profit educational companies having been launched over the past decade. Seventy for-profit institutions of various kinds are listed on the web, some with a single location, others with multiple locations. The best known of these, of course, is the University of Phoenix, which, in addition to the centres it has established in the United States, is also in Brazil, Chile, China and Mexico. Sylvan Learning Systems, Inc., a Baltimore-based company, has built a network of eight universities with over 100,000 students in nine countries in Latin America. Sylvan Learning Systems now has nearly one-tenth of the college students in Chile enrolled in its campuses. Scores of for-profit educational enterprises have sprung up in recent years, with many now listed on the stock market. Hundreds of thousands of students in 20 countries are enrolled in these kinds of programs.

A safe prediction is that for-profit education will play a significant role in meeting the growing demand in developing countries or in countries in which the higher education system is underdeveloped. Traditional universities are also developing for-profit, web-based subsidiaries; last fall, the University of Illinois announced the creation of an on-line, for-profit, degree programme. Its business model, like that of the other on-line, for-profit ventures, is to

employ part-time faculty who will not be eligible for tenure or research support from the University. Even universities in the developing world, strapped for resources, are beginning to explore for-profit programmes; in April of this year, the University of Mumbai announced the unusual step of looking at the possibility of a stock market listing. (*Financial Times*, 2007)

For-profit education is a profitable business, sufficiently profitable, in fact, that groups of American investors have, in at least two recent instances, bought struggling colleges for their “academic assets”, which they do not define as the faculty, all of whom were quickly dismissed after the acquisition; “academic assets” refers to the accreditation these colleges had received by the North Central Association of Colleges and Universities, which was initially transferred to the new entities. For-profit education is also powerful, having built a significant lobby working Congress and exercises a powerful influence in the current US Department of Education.

These enterprises do fill an educational void when they provide quality training for skills enabling people in the developing world to improve their opportunities in a global economy. Technical education is essential to development. But we should also be aware of the more adverse consequences of a process that treats education largely as an export commodity, subject primarily to the demands of the marketplace (Altbach, 2006). It underscores the private and utilitarian import of education at the expense of its public and intrinsic value. It does not impart the values that are essential to the development of universities and it is less willing to provide those less marketable elements of education that contribute to aspects of life beyond the workplace. It does not ground education in local culture and habit or build a local self-sustaining capacity, but imposes what some consider a “neo-colonial” system of higher education.<sup>4</sup>

## HUMAN CAPITAL

As developmental economist Amartya Sen has stressed in his various works, however, development involves considerably more than economic growth alone. Development, he has stressed, must be concerned with advancing human well-being and human freedom. Although rising income levels are a necessary condition, they are not a sufficient condition for achieving development; a market society does not lead inexorably to expanded human freedom. Sen considers globalization an important potential source of improved living conditions, but the introduction of the market economy alone will not suffice. Development for Sen is a consequence of rising human “capabilities”, human

---

<sup>4</sup> Comments by Ahmed C Bawa, of the University of KwaZulu-Natal, Durban and Pietermaritzburg, South Africa, at a conference, University of California, Berkeley, March 26-27, 2007.

capacities to exercise a wide range of freedoms. Sen comments specifically on the role of education in achieving human freedom:

If education makes a person more efficient in commodity production, then this is clearly an enhancement of human capital. This can add to the value of production in the economy and also to the income of the person who has been educated. But even with the same level of income, a person may benefit from education — in reading, communicating, arguing, in being able to choose in a more informed way, in being taken more seriously by others and so on. The benefits of education, thus, exceed its role as human capital in commodity production. The broader human-capability perspective would note — and value — these additional roles as well. The two perspectives are, thus, closely related, but distinct (Sen, 1999, pp. 293-94).

While Sen's definition of "capabilities" is relatively flexible and situational, others have defined the capabilities essential to development in more concrete ways. The philosopher Martha Nussbaum defined the "central human capabilities" necessary for development as (1) Life; (2) Bodily health; (3) Bodily integrity; (4) Senses, imagination and thought; (5) Emotions; (6) Practical reason (7) Affiliation; (8) Other species; (9) Play; and (10) Political and material control over one's environment (Nussbaum, 2000, pp. 72-75). What is interesting about this list is the fact that much of it calls for an educational system that goes well beyond the development of skills that can be employed in an advanced, technological labour market. It calls for discernment, reason, the capacity to understand complex issues from different vantage points, the capacity for what Sen has referred to as "public reasoning". It calls for what has traditionally been known as liberal education.

If the interest, or indeed the obligation, of mature universities in the developed world toward the developing world is to assist in development, as I believe it should be, rather than simply to exploit a market, this perspective on development is important to bear in mind. It can, in fact, define the agenda that mature universities can take for themselves as the process of globalization moves forward. It seems important, therefore, that mature universities work with their counterparts in the developing world based on a set of principles that are aimed at enhancing the scope of human freedom. I would summarize some of these principles in the following manner:

One, universities should stress the fundamental purpose of education is to enlarge human freedom. Education is a "liberating" force in every sense of the word. This will require the development of marketable skills that will improve income and the standard of living, but it should not be exclusively defined in these terms. Education, to enlarge freedom, must also enhance tolerance, citizenship and the capacity for contributing to social discourse.

Two, to enhance human freedom, universities must themselves be free institutions, free from government interference or control, places where the

principles of academic freedom are understood and protected. Universities are disruptive institutions, often inspiring criticism of the societies in which they are located. Indeed, most disruptive and revolutionary movements historically have originated in universities. Oppressive regimes may find virtual universities preferable to universities as places where students and faculty gather. They may also wish to censor curricula. But if universities are to play a proper role in any society, they should foster the critical skills that will reject control and oppression.

Three, in mature universities, the faculty have a central role in the governance of the institution, the development of its curriculum, and the selection of other faculty. This feature, too, is missing in virtual, for-profit universities, but it should be an aspect of any process of quality assessment or accreditation for institutions operating in the developing world.

Four, mature universities should have the goal of building the capacity of universities in the developing countries. The asymmetrical relationship between developed universities and developing universities, between North and South, East and West, often results in a brain drain from the developing world. Bilateral partnerships should be of mutual benefit to both parties and have as one goal building an educational and intellectual infrastructure in developing countries.

Five, the quality standards for education transmitted to developing countries should not be inferior to those of developed countries. The principles of self improvement and accreditation should be equivalent. This does not suggest the requirement of uniformity of outcomes, but it does suggest close scrutiny of the equality of education from whatever source it is delivered.

There are undoubtedly other principles that should guide the relationship between developed and developing universities, but these five at least are essential to the development of universities that enhance human capacities and freedom.

## REFERENCES

- Altbach, Philip G. (2006). *International Higher Education: Reflections on Policy and Practice*. Center for International Higher Education, Lynch School of Education, Boston College Publication, pp. 23-28; 33-42.
- Financial Times (2007). *Financial Times: Asia-Pacific, India*. 16 April 2007.
- Friedman, T. (2005). *The World Is Flat. A Brief History of the Twenty-First Century*. Farrar, Straus and Giroux Publishers, New York.
- NAS. (2007). Report of the National Academies of Science and Engineering, *Rising Above the Gathering Storm*.
- Nussbaum, M. (2000). *Women and Human Development: The Capabilities Approach*, Cambridge University Press, Cambridge.
- Sen, A. (1999). *Development as Freedom*. Knopf, New York.