



2011-01-01

# Rankings and the Reshaping of Higher Education: the Battle for World Wide Excellence

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## Recommended Citation

Hazelkorn, E. (2011) Globalization and the Reputation Race in *Rankings and the Reshaping of Higher Education: the Battle for World Class Excellence*. Palgrave MacMillan.

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## **Chapter 1: Globalisation and the Reputation Race**

The current strength of research in European universities has been called into question in two recent surveys, which – despite some cultural and methodological biases – came to the conclusion that European universities are not performing strongly in global comparisons (Europa, 2004, p. 23).

The world rankings of the 500 universities show the poor state of academic institutions in Islamic countries...To ameliorate this situation,...the OIC...resolved to strengthen selected universities in the fields of science and engineering, with the goal of elevating at least 20 universities within the Islamic countries to the rank among the top 500 world universities (Organisation of the Islamic Conference, in Bilal, 2007).

### **[A]Globalisation and Rankings**

There is a growing obsession with university rankings around the world. What started as an academic exercise in the early 20<sup>th</sup> century in the US became a commercial ‘information’ service for students in the 1980s and the progenitor of a ‘reputation race’ with geo-political implications today. Around the world, rankings consciousness has risen sharply and, arguably inevitably, in response to globalisation and the pursuit of new knowledge as the basis of economic growth, and the drive for increased public accountability and transparency. Rankings are a manifestation of what has become known as the worldwide ‘battle for excellence’, and are perceived and used to determine the status of individual institutions, assess the quality and performance of the higher education system and gauge global competitiveness. As internationalization has become a priority for both government and higher education, the talent-catching and knowledge-producing capacity of higher education has become a vital sign of a country’s capacity to participate in world science and the global

economy. In the process, rankings are transforming universities and reshaping higher education. Despite the fact that there are over 15,000 higher education institutions (HEIs) worldwide<sup>1</sup>, there is a fascination with the standing and trajectory of the top 100, less than 1% of the world's institutions. Like the ranking of restaurants or hotels, no one wants to be at the bottom of the hygiene list.

Published by, inter alia, government and accreditation agencies, higher education, research and commercial organisations, and the popular media, rankings have become ubiquitous since the 1990s. The *U.S. News and World Report's* special issue on 'America's Best Colleges' has been published annually in *U.S. News* magazine and as a separate newsstand guidebook since 1987, and remains the most popular in that country. Around the world, media organisations have predominated in the publication of such lists, inter alia, the *Times Higher Education Supplement* (first published in *The Times*, October 1992), the *Financial Times* and *The Sunday Times* (UK/Ireland), *Der Spiegel* (Germany), *Macleans* (Canada), *Reforma* (Mexico). In recent years, government and accreditation agencies, and higher education organisations have developed their own systems for evaluating and ranking institutional performance: e.g. CHE (Germany)<sup>2</sup>, AQA (Austria), CIEES, CACEI, CNEIP and CONEVET (Mexico), NAAC, NBA (India), Higher Education Council and TUBITAK (Turkey), the Commission on Higher Education and Philippine Accrediting Association of Schools, Colleges and Universities (Philippines), and the Higher Education Evaluation and Accreditation Council of Taiwan (HEEACT). In addition, there are a variety of commercial college 'guide' books and websites, e.g. the *Good Universities Guide* (Australia), Bertelsmann Stiftung (Germany) and Re\$earch Infosource Inc. (Canada). As higher education has become globalized, the focus has shifted to worldwide university rankings, e.g. the Shanghai Jiao Tong *Academic Ranking of World Universities* (ARWU), *Times Higher Education QS Top Universities* (*THE QS*), *Webometrics*, and so on. Today, there are over 50

national ranking systems and eight global rankings of varying significance, with three new ones anticipated for 2010/2011.

The transformation of the higher education environment over the last few decades has been well documented (CERI, 2009; Marginson and van der Wende, 2007a; Altbach et al., 2010). Despite different perspectives, there is a general consensus about the speed and depth of the revolution impacting on higher education and the extent of change required or occurring in response. Without being too simplistic, there are probably four headline drivers.

First, the positioning of knowledge as the foundation of economic, social and political power has driven the transformation of economies and the basis of wealth production from those based on productivity and efficiency to those based on higher valued goods and services innovated by talent. If the first phase of globalisation was marked by ‘working cheaper,’ the current phase is measured by connecting people and processes globally, and breaking down traditional barriers (Cheese et al., 2007 p. 2) – a contemporary version of Marx’s ‘heavy artillery...batter[ing] down all Chinese walls’ (1948, p. 125). Friedman’s (2007) flattening out of the globe, and Castell’s (1996) ‘networked society’ are not just ignorant of national boundaries but are actively and daily destroying those boundaries and its industries while creating new working practices and forms of social networking. Today, almost 80 per cent of a company’s value comes from intangibles or soft knowledge – unique knowledge of services, markets, relationships, reputation, and brand (Hutton, 2006). Successful economies are those which rely on the ability to develop and exploit new knowledge for ‘competitive advantage and performance...through investment in knowledge-based and intellectual assets – R&D, software, design new process innovation, and human and organisational capital’ (Brinkley, 2008, p. 17-18). Research shows that ‘productivity growth in the United States has been generated largely by advances in technology’ which in turn have been driven in recent years by innovation as measured by the number of patents

awarded to industry and universities (Chellaraj et al., 2005, p. 1). This has placed higher education – a provider of human capital through education and training, a primary source of new knowledge and knowledge/technology transfer, and a beacon for international investment and talent – at the centre of policymaking. Governments have endeavoured to ‘steer’ and ‘restructure’ higher education in ways which, while supporting ‘autonomy’, use performance-based funding and, in many instances, institutional contracts to ensure higher education meets its social and economic objectives. The EU *Lisbon Agenda* aimed to make Europe ‘the most dynamic and competitive knowledge-based economy in the world’ by significantly increasing investment in R&D to 3 per cent of GDP and doubling the number of PhD students (Europa, 2000); it has been followed by *Europe 2020* which focuses on ‘smart, sustainable and inclusive growth’ (Europa, 2010a). Most governments have similar models: *Building Ireland’s Smart Economy* (Government of Ireland, 2008), *Brain Korea 21* (Korean Research Council, 1999), Malaysia’s *Vision 2020* (Government of Malaysia, 1991), Abu Dhabi *Economic Vision 2030* (Government of Abu Dhabi, 2008) and India’s *National Knowledge Commission* (Government of India, 2009), to name just a few. The global financial crisis of 2008 sounded alarm bells but it simply accelerated the speed of change bringing the BRIC countries (e.g. Brazil, Russia, India, and China) more firmly into the competitive spotlight.

Second, at the moment when countries are dependent upon talent, many are under demographic pressure. This has arisen for a combination of reasons, including greying of the population and retirement of professionals combined with the end of the ‘baby boomer’ bubble and decline in the number of students. While the world population is likely to increase by 2.5 billion over the years to 2050, the population of the more developed regions is expected to remain largely unchanged, and would have declined, if not for net migration from developing to developed countries. In 2005, young people were 13.7 per cent of the

population in developed countries, but their share is expected to fall to 10.5 per cent by 2050 (Bremner et al., 2009, pp.2, 6). This will affect the pool of secondary students, ultimately challenging government strategies for growing knowledge-intensive sectors of their economies. As a result, what the *Daily Yomiuri* calls the ‘scramble for students’ (Matsumoto and Ono, 2008 p. 1) and the *Economist* refers to as the ‘battle for brainpower’ (Wooldridge, 2006) is complementing more traditional struggles for natural resources. Knowing that people with higher levels of education are more likely to migrate (Europa, 2006a), governments around the world are introducing policies to attract ‘the most talented migrants who have the most to contribute economically’ (Rüdiger, 2008 p. 5; ICREA), especially in science and technology. The importance of mobility stems not just from its contribution to the production and dissemination of codified knowledge but also transmitting tacit knowledge in the broadest sense. There can be benefits for both sending and receiving countries (not just brain drain but brain circulation), if the latter has the appropriate absorptive capacities to attract (back) and retain high skilled talent (Hvistendahl, 2008). Internationalization, once seen simply as a policy of cultural exchange, is now a necessary mechanism to increase the number of international students, especially graduate research students (Hazelkorn, 2008c).

The importance of the lucrative international student market has raised the global competitive stakes (Guruz, 2008; Green and Koch, 2010). In terms of actual numbers and percentage of total students, Western Europe and North America are the world regions of choice. Together, they host approximately 1.7 million of the 2.5 million international students, or 70 per cent of all international students (Guruz, 2008, p. 230). Under GATS, international or cross-border student mobility has become a recognizable, tradable commodity which is likely to encompass 7.2 million students annually by 2025 (Varghese, 2008, p. 11). In Australia, education services were the third largest export earner in 2007-2008, just behind coal and iron ore (AEPL, 2009), while ‘well-trained international graduate

students and skilled immigrants from such countries as India, China, Korea, and Singapore (the last two of which rank at the top in mathematics and science achievement)' into the US plug the education gap caused by deficiencies elsewhere in the system (Chellaraj et al., 2005, p. 2). Other countries are copying these examples; Singapore, China, Malaysia, Japan, Jordan and Korea – to name just a few – want to significantly expand the number of international students within the next 5-10 years (Wildavsky, 2010, p. 24; Anon, 2010a). The Bologna initiative, initially focused on enhancing mobility within the EU, has prompted a worldwide re-tooling of educational systems to ease international mobility and enhance competition for the lucrative international student market (Cemmel and Bekhradnia, 2008). UK universities have been urged to 'buckle up for a rough ride' while Japanese universities are having to 'send ... recruiters out to high schools, hold ... open houses for prospective students, build ... swimming pools and revamp ... libraries, and recruit ... more foreign students' (McNeill, 2008). As a counter measure, governments are seeking better alignment between higher education, innovation and immigration policies to guarantee access to the global talent pool.

Third, higher education has been transformed from being considered a social expenditure to being an essential component of the productive economy; accordingly, the way in which higher education is governed and managed has become a major policy issue. There is increasing emphasis on value-for-money, productivity and efficiency, and ensuring investor confidence, often referred to as 'new public management' (Deem, 2001) or what the EU calls the 'modernisation' agenda (Europa, 2006b, 2007a). The extent and breadth of the changes vary across national jurisdictions and sectors, but generally includes: restructuring academic programmes to make them more compatible, competitive and attractive; increased emphasis on research targets and outputs which are measurable and supported by competitively earned funding; links with industry and technology/knowledge transfer activities; and merging departments to promote efficiency, critical mass and visibility or abolishing those which no

longer attract sufficient students or meet quality standards. Changes in academic work and terms of employment chronicle the transformation from a relatively autonomous profession operating within a self-regulated code of ‘collegiality’ to an ‘organisationally managed’ workforce comparable to other salaried employees (Slaughter and Leslie, 1997; Rhoades, 1998; Farnham, 1999; Altbach, 2000a and 2000b; Altbach and Lewis, 1996; Slaughter and Rhoades, 2004; Hazelkorn and Moynihan, 2010). At the system level, many governments are moving away from an egalitarian approach – where all institutions are broadly equal in status and quality – to one in which hierarchical or vertical differentiation is encouraged through competitive positioning and funding. If higher education is the engine of the economy, then the productivity, quality and status of higher education institutions and university-based research becomes a vital indicator. The EU (Europa, 2006b) said

Universities should be funded more for what they do than for what they are, by focusing funding on relevant outputs rather than inputs,...Competitive funding should be based on institutional evaluation systems and on diversified performance indicators with clearly defined targets and indicators supported by international benchmarking.

Or more succinctly, it ‘isn’t enough to just go around telling ourselves how good we are – we need to measure ourselves objectively against the world’s best’ (Carr, 2009).

Finally, because education and graduate outcomes and lifestyle are strongly correlated with higher qualifications and career opportunities, students (and their parents) have become savvy consumers (Santiago et al., 2008). This is driven also by the rising costs of higher education – including tuition and relocation costs; students assess institutions and programmes as an opportunity-cost. Tuition fees reflect not just the actual costs of instruction but supply and demand factors. Widening access and higher education attainment may be important societal goals but the rewards are increasingly viewed as bringing private benefit.

In return, students require more consumer type information through guide books or comparative or benchmarking data, increasingly on a global scale and accessible online; student satisfaction surveys of teaching and academic endeavour, comparison of employability and potential salaries and reviews on the quality of the student experience and campus life are common place. And because there is a decline in the traditional student market and heightened competition for high-achieving students, the balance of consumer power is shifting. In the absence of institutionally generated comparative material, rankings have arguably and controversially become the accountability and transparency instrument by which students – especially international students –, governments and other stakeholders acquire such information. According to Webster (1992), HE administrators are partially ‘to blame’ for the rise in rankings; because higher education does not provide sufficient information about themselves, it encourages others to do so.

These factors have combined to transform rankings from a consumer product into a global strategic instrument.

### **[A] Theorising Rankings**

While rankings have occupied the attention of policy makers and HE leaders, they have also generated hundreds of academic articles, masters and PhD theses, and international conferences and seminars in addition to many more journalist articles and policy papers; there are even university courses dedicated to the topic (O’Meara, 2010). Over 1000 books, papers and articles have been sourced during the research and writing of this book; this must be a far cry from the minds of those who conceived and originated national or global rankings. ARWU was initiated to illustrate the position of Chinese universities vis-à-vis international leaders in order to support the ‘dream of generations of Chinese’ and lobby their government for appropriate support (Liu, 2009, p. 2), while *USNWR* aimed to provide ‘prospective students and their parents with key evaluative information they need to make an

informed college choice that has important job and career implications’ (Morse, 2010a). Quacquarelli of QS, whose company launched the world university rankings with *Times Higher Education (THE)* in 2004, said its original purpose was to ‘serve students and their families’ although it is now used by ‘governments and university leaders ...to set strategic targets’ (Sharma, 2010a). By capturing the *Zeitgeist*, these early market movers have created a lucrative industry.

The literature on rankings can be roughly divided into two categories, methodological concerns and theoretical understanding. Most commentators have focused on the former, questioning and challenging the basis by which the indicators have been chosen, the weightings assigned to them, and the statistical method and accuracy or appropriateness of the calculations. This attention is not surprising given that rankings are a quantitative exercise, the methodology is still evolving and the results can be controversial. Given its infancy, rankers have welcomed and encouraged engagement with commentators and critics, and hosted conferences and workshops. It could be argued that this dialogue is necessitated by their brand image and underpinning philosophy; in other words, if rankings are about the transparency of higher education performance then it is incumbent upon the promoters to equally be transparent. On the other hand, the dialogue is arguably an essential part of the legitimising process; by engaging users in the process and clarifying their concerns the end product becomes more acceptable – and influential.

A smaller group of commentators has sought to contextualize the growing obsession with rankings, to understand the basis of their popularity and to examine their impact and implications for and on higher education, and faculty and stakeholder behaviour. This literature has sought to explain the rankings phenomenon in terms of (i) nation states and supranational entities (e.g. the EU) locked into ‘strategies for national competitive advantage’; (ii) institutions ‘striving’ for survival in the process of which organisational and

institutional culture and behaviour is transformed in response to the external environment; or (iii) students and faculty using and responding to positive and negative correlations of self and peer perceptions of the 'status system'. These issues can be broadly grouped into three sets of theoretical arguments, each of which seeks to situate changes in higher education within a broader frame: globalisation and networks of power, organisational behaviour and change, and social capital and positional goods.

This section summarizes these positions, setting a context for the previous discussion and the remainder of the book. While each of the theoretical strands discussed below are read and used independently by different authors, this author's argument is that these frameworks can be read in tandem. There is a strong linkage or overlap, with each theoretical approach describing or offering an explanation of different aspects of the rankings phenomenon. To preface the discussion below and throughout the book: rankings are an inevitable outcome and metaphor for the intensification of global competition, around which, higher education as both the progenitor of human capital and knowledge has become the fulcrum around which geo-political battles for a greater share of the global market are being fought. At the same time, HEIs are knowledge intensive industries behaving as other actors/firms in a competitive environment; to survive and thrive, many institutions are making changes to institutional strategy or adapting their behaviour to fit the 'norm' promulgated by rankings. Their behaviour is influenced by the perception that benefits – whether it is more and better able students, increased resources or enhanced prestige – flow to those who, according to rankings, are best. Students associate high rankings with better education quality and critically better career and lifestyle choices. Governments are doing likewise, restructuring or reshaping their systems in the view that high ranked institutions are beacons for investment and international talent – vital components for global competitiveness.

## **[B] Globalisation and Networks of Power**

Globalisation is the process of convergence and integration over national borders, creating a 'single world market' and 'a common store of knowledge'. According to Castells (1996, p. 92), a global economy differs qualitatively from a world economy. In the latter, which has existed since the 16<sup>th</sup> century, 'capital accumulation proceeds throughout the world' while in the former, capital has the 'capacity to work as a unit in real time on a planetary scale'. By managing capital around the clock, capital and information flows are at once both global and autonomous from place and the actual performance of individual national economies. The ability to operate in an asymmetrical structure enhances the capacity of science, technology and knowledge as the determinant of social, economic and political power. Because innovation is the key to translating knowledge into new products and services, nations increasingly compete on the basis of their knowledge and innovation systems (Slaughter and Leslie, 1997).

For Castells, knowledge is a commodity within globalized capital accumulation. In contrast with traditional (historic) factors, such as 'land (natural resources), labour (human effort) and capital goods (machinery), knowledge is the "new factor of production"' (Robertson, 2008, p. 4). Accordingly, academic research is no longer solely the pursuit of individual intellectual curiosity but is driven in large measure by national funding priorities which are tied to strategies of economic growth and competitiveness. Knowledge is important primarily in its ability to be converted into new products and services; in other words, 'knowledge is defined as intellectual property (IP) that has commercial value' that 'can be realized, in turn creating economic value and thus economic growth' (Robertson, 2008, p. 5).

Competitiveness is dependent upon the capacity of 'national and supranational institutions to steer the growth strategy of those countries or areas under their jurisdiction including the creation of competitive advantage...' (Castells, 1996, p. 105). While nation

states remain important, the architecture and geometry of the global economy rests upon the interdependence of economic regions ‘polarized along an axis of opposition between productive, information-rich, affluent areas and impoverished areas, economically devalued and socially excluded’ (Castells, 1996, p. 145). Clusters of high technology and highly specialized services and financial goods are congregated into what are known as ‘technopoles’ (Castells, 1994a), ‘global cities’ (Sassen, 2001) or ‘knowledge regions’ (Reichert, 2006); these form the ‘organizing nodes’ of a networked world (Friedman, 1995). According to Hall (2006), these nodes become centres where ‘professional talent of all kinds congregate...’, ‘[S]tudents and teachers are drawn to the world cities: they commonly contain great universities, as well as a host of specialized institutions for teaching and research in the sciences, the technologies and the arts’. For city states, regions or nations to be attractive requires HEIs having, or growing, a reputation.

These developments have major consequences for higher education, and have been responsible for transforming it into a key instrument of economic development; ‘new public management’ (NPM), twinned with neo-liberalism, has transformed HEIs into private market and performance-driven ‘competing universities-as-firms’ (Marginson, 2010a). This has involved the application of economic and business principles and management processes, with a strong emphasis on accountability, transparency and performance. Engagement in marketing, customer focus, entrepreneurship and industry-driven research has had implications for academic culture and work. Marginson (2010a) argues that this has created twin and somewhat oppositional actions: deregulation of the ‘university-as-firm’ to enable it to respond to the (labour) market, with all the vagaries that brings, and ‘over-regulation of academic output as performance’. Slaughter and Leslie (1997, pp. 36-37) contend that globalisation has had ‘four far-reaching implications for higher education’: i) the ‘constriction of money for discretionary areas’, ii) growing centrality of techno-science and

fields' which is closely involved with international markets, iii) tightening relationships between multinational corporations and state agencies, and iv) increased focus on intellectual property strategies. By redirecting education towards wealth creation and economic competitiveness, the distinction between knowledge and commodity collapses and 'knowledge becomes commodity', with profound implications for institutions and faculty (Slaughter and Leslie, 1997, p. 38). The interconnection between knowledge, economic/industrial policy and intellectual property has helped reshape undergraduate and graduate education, and scholarly practice. Their argument is simple: nations compete on the basis of innovation which is 'fundamentally stored in human brains' (Castells, 1996, p. 95); it therefore necessitates investment in 'academic capital.'

Because higher education plays a fundamental role in creating competitive advantage in a market environment, performance matters. Marginson and van der Wende (2007a, p. 17) argue that governments and globally active HEIs pursue two related objectives: i) maximizing 'capacity and performance within the global landscape', and ii) optimizing the 'benefits of global flows, linkages and offshore operations back home in the national and local settings'. The higher education landscape is a 'relational landscape'; this means that institutions and nations are constantly measured against each other according to indicators of global capacity and potential in which comparative and competitive advantages come into play. According to Robertson (1998, p. 224), in contrast to earlier periods when political struggle and human capital considerations combined to 'compel an expansion of higher education', the current period challenges that historical movement: 'when the struggle for social equality...can no longer be resisted, ruling elites worldwide intensify reputational (and therefore social) differentiation between institutions'.

While individual institutions and nations may pursue their own path, 'they no longer have full command over their destinies' (Marginson and van der Wende, 2007a, p. 13); they are

part of a wider geopolitical struggle in which ‘governments need to invigorate their national innovation systems in the context of a global knowledge economy’ (Robertson, 1998, p.227). This is especially true in the aftermath of the GFC. While the quest for world-class status preceded this ‘event’, the manner by which rankings have become a key driver of global reform of higher education stresses its significance for building strategies for competitive advantage – which depends upon higher education’s ability to act as a beacon for investment and international talent (Gulbrandsen, 1997). Because research activity is the source of knowledge, intellectual property and innovation, global university rankings have become a critical relational indicator, strengthening ‘the element of competition and the status of the established institutions’, nations and world regions – and conferring power (Marginson and van der Wende, 2007a, p.34). The quotes at the beginning of this chapter and the media headlines below (see Box 1) illustrate the way in which higher education has become (interpreted as) a global battle ground.

### **[B] Organisational Behaviour and Change**

The normalization of the discourse of competitive rankings has contributed to their rapid proliferation and dominance; the discussion which follows draws, *inter alia*, on Foucault and Gramsci. The former provides a useful theoretical frame by which to understand how institutions and governments feel compelled to respond – and make changes – to higher education in line with the model proffered by rankings in order to thrive, while the latter speaks to the way in which rankings have come to dominate higher education discourse.

Writing on discipline, surveillance and punishment, Foucault (1977, p. 209) argued that control has shifted from punishment to more abstract forms of ‘disciplinary technology’ which normalize behaviour by regulating the space, time or activity of people’s lives. The ‘schema of exceptional discipline’ is transformed into ‘what might be called in general the disciplinary society’, whereby power is exercised, not in a direct manner, but through a series

of complex relations and relationships ‘enacted through subtle practices and banal procedures’.

...neither the territory (unit of domination), nor the place (unit of residence), but the rank: the place one occupies in a classification...Discipline is an art of rank, a technique for the transformation of arrangements... (Quoted in Sauder and Espeland, 2009, p. 69)

Thus, ‘one of the great instruments of power’ is that of normalization – by which homogeneity is achieved and differences in behaviour are exposed. Barker and Cheney (1994, p. 20) explain that while

The whip and the watch govern our behaviour...the governance of the watch is the more unobtrusive and more thoroughgoing of the two types of ‘authority’ because our regular submission to it is a willing, almost wholly voluntary act.

Foucault postulates that power and control are exercised through continual and anonymous surveillance, whereby the regulators and the regulated are juxtaposed and interdependent in a way which is embedded in everyday practice. The effect parallels commonly used sayings such as ‘that’s the way things are done around here’ or ‘conventional wisdom’ (Barker and Cheney, 1994, p. 24).

Drawing on Foucault, Sauder and Espeland (2009) show how rankings not only change perceptions of education through both coercive and seductive means, but how constant surveillance of performance, through the use of rankings, can result in an obsessive form of control which is internalized. They argue that higher education as well as individual HE actors has come under pressure to conform – responding to different stakeholders and the complex environment, demonstrating accountability and transparency in increasingly quantitative measures. Reactions to rankings are ‘best understood as the evolving responses of an assortment of actors who struggle to reconcile their sense of themselves as professional

educators with an imposed market-based logic of accountability' (Sauder and Espeland, 2009 p. 66) . While higher education may seek to 'de-couple' itself from the pressure of rankings – and the way in which they influence external perceptions of the university – it is difficult to successfully achieve this. Drawing on their research of law schools, Sauder and Lancaster (2006, p. 130) say

many administrators note that internal constituencies such as current students, faculty, and even members of the administration itself are affected by changes in rank; among the manifestations of these effects are morale changes, transfers, changes in the ability to attract new faculty, and an increase or decrease in job security for administrators.

Rankings may provoke anger and resentment, by exhibiting a constant 'surveillance' or presence in/over the higher education environment, but they have become a 'self-disciplining' force.

In comparing institutions with each other, 'one person's or one institution's performance [is pitted] against all others' thereby imposing a process of normalization (Sauder and Espeland, 2009, p. 73). Rankings create hierarchies by establishing a 'single norm for excellence', which are turned into mechanisms or tools of differentiation. This is done through the use of measurement and quantification 'to judge and control these relations' in the same way Foucault's 'discipline' 'constructs compliant, self-policing subjects' and 'defines normal, marks deviance, and creates the experts who maintain the boundaries' (Espeland and Sauder, 2007, pp. 4-5). These norms play a central role in influencing, incentivizing and changing behaviour and attitudes 'above and beyond one's own perceptions of quality' (Bowman and Bastedo, 2009, p. 4), including encouraging some schools to adopt missions that conform to assumptions embedded in rankings (Espeland and Sauder, 2007). Drawing on the concepts of 'reactivity' and 'reflectivity', Espeland and Sauder argue that

rankings effect a gradual transformation of HEIs 'into entities that conform more closely to the criteria used to construct rankings, and...prompt[ing] the redistribution of resources, the redefinition of work, and gaming' (2007, p. 33). Essentially, over time, higher education actors are brought into line, behaving rationally and responding appropriately to the 'contaminating influence of measurements on their target object' (Espeland and Sauder, 2007, p. 6).

Gramsci's concept of hegemony also helps to explain how rankings have come to dominate the discussion of higher education quality and performance. Like Foucault, Gramsci (1971, p. 419) believed power is not exercised directly but opaquely through cultural norms (views, practices, institutions, etc.) which become pervasive and thus are seen to be normalised, as 'lived experience' or 'common sense' which is 'uncritically absorbed by the various social and cultural environments...' Hall et al (1978) concept of 'moral panic' is drawn from Gramsci. In his writings, he discussed how crime statistics are often manipulated by the political world and media to sensitize the public to a particular viewpoint; in this way, they help 'set the agenda' of public discourse.

Statistics – whether crime rates or opinion polls – have an ideological function: they appear to ground free floating and controversial impressions in the hard, incontrovertible soil of numbers. Both the media and the public have enormous respect for 'the facts' – hard facts (Hall et al, 1978, p.9).

Rankings play a similar hegemonic function. They create a powerful set of ideas or values around which a particular model of higher education or concept of quality or excellence becomes the accepted norm.

Rational choice theory adds a further dimension; it argues that individuals choose actions that are most 'likely to give them the greatest satisfaction' (Scott, 2000, p. 128) or make choices on the basis of 'return on investment'. Becker argues that 'people rationally evaluate

the benefits and costs of activities...whether they be selfish, altruistic, loyal, spiteful, or masochistic'. While their 'behaviour is forward-looking', it 'may still be rooted in the past, for the past can exert a long shadow on attitudes and values' (Becker, 1993, p. 402). Levitt and Dubner (2009, p. 12) also use economics to understand behaviour arguing that 'incentives are the cornerstone of modern life'. Whether higher education leaders seek to mitigate the impact on their institution, redefine goals or seek to improve performance, it could be argued that they are responding rationally to the circumstances in which they find themselves. The fact that they are doing so illustrates how successfully rankings have embedded themselves within the environment and incentivize behaviour.

Finally, Bastedo and Bowman (2011) use open system theory to 'contribute to our understanding of rankings as an interorganisational dependency' to show 'how organisations adapt and manage the norms, values and beliefs in their environment, in order to increase the chances of organisational survival.' This includes developing tactics to influence rankings (for example by manipulating the data supplied), boycotting the questionnaires sent by rankings for peer review, or responding strategically. The latter illustrates that contrary to views that HEIs are hapless in a highly deterministic environment, they are pro-actively engaged in a range of strategic responses, 'including reactivity, decoupling, and impression management' in a manner which reveals an 'interorganisational dependency on resource flows related to the *U.S. News & World Report* college rankings.' Ultimately there is a resource dependency relationship; resource and financial benefits can result from 'the evaluations of certain legitimate third parties through their influence with external resource providers' (Bastedo and Bowman, 2009, p. 26). Because the stakes are so high, rankings provoke retaliatory or protective responses. Elsbach and Kramer (1996, p. 470) show that

when organisational members perceive that their organisation's identity is threatened, they try to protect both personal and external perceptions of their organisation as well as their perceptions of themselves as individuals.

This may involve focusing 'members' attention on what they should be doing and why', explaining 'what their organisation is about' in order to re-categorize it, directing and focusing attention on other (more positive) aspects of performance, or ultimately 'chang[ing] or reshap[ing] their identities' (Elsbach and Kramer, 1996, p. 472).

### **[B] Social Capital and Positional Goods**

The work of Bourdieu, Hirsch and Frank et al. shows that rankings have heightened competition between institutions and nations, by focusing on reputational value and limited access to what are called positional goods. In doing so, rankings elevate and fetishize particular conceptualisations of status, creating a social norm against which all institutions are measured that quietly insinuates itself into public discourse.

Bourdieu (1986) differentiates between three kinds of capital: economic capital, which can be converted into money and institutionalized in the form of property; cultural capital, which in certain circumstances may be converted into money or institutionalized in, inter alia, educational qualifications; and social capital. Social capital is a function of power relations whereby individuals seek to advance their interests and social position, and the division of economic, cultural and social resources in general are legitimized. It is the 'aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition'. Social capital provides 'its members with the backing of the collectivity-owned capital, a "credential" which entitles them to credit, in the various senses of the word.' For example, membership of a family, class, tribe or school may confer social capital or status on an individual or group.

Profits or benefits can accrue by membership of such groups by the reproduction of social capital; this assumes that there is a ‘continuous series of exchanges in which recognition is endlessly affirmed and reaffirmed’.

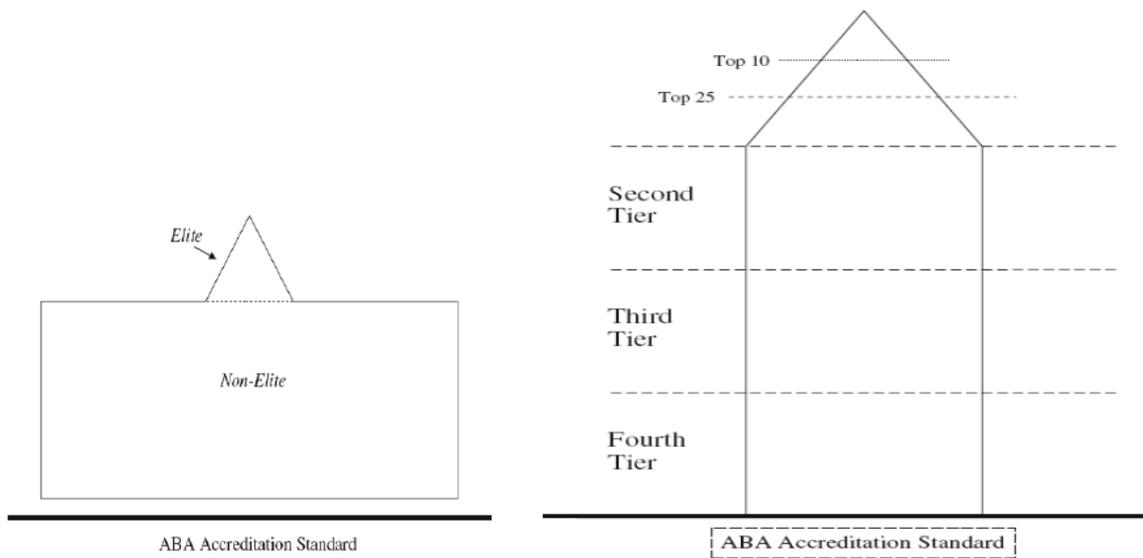
Taking a corresponding view, Hirsch (1997, p. 6) developed the concept of ‘positional goods’ whereby people’s access to ‘socially scarce goods and facilities...is determined in accord not with absolute but relative real income.’ The key factor is the ‘individual’s position in the distribution of purchasing power’. However, competition for such goods is scarce; this means that only a few people can benefit at any one time. It becomes a zero sum game – as some people gain, others must lose out. Veblen had earlier emphasized that ‘it is the relative value of any good, quality, or achievement from which status value is derived’ (Quoted in Sauder, 2006, p. 302). Frank (2001) similarly argued that because of their limited nature, ‘positional goods’ create an ‘arms race’ or a scenario in which the ‘winner takes all’. To the ‘buying public’ there may be an imperceptible difference between success and failure, but to the ‘manufacturers the stakes are often enormous’. In the process, these ‘high stakes have created a new class of “unknown celebrities”; those pivotal players who spell the differences between corporate success and failure’ (Frank and Cook, 2003, p. 55; Bastedo and Bowman, 2009, p. 28). The widening gap between winners and losers has intensified competition for top prizes and positions, and in the process has conferred gate-keeper status on elite educational institutions because they are perceived as having the capability to boost one’s status relative to others. Another way of describing the circle of benefit which corresponds to a winner-take-all market is the concept of the ‘Matthew Effect’ whereby the ‘elite receive disproportionate credit and resources, as they are caught in a virtuous cycle of cumulative advantage’ (Gumpert, 2000, pp.4-5). This is based on a line in St. Matthew’s Gospel (Matthew 25:29) that says, ‘For unto every one that hath shall be given, and he shall have

abundance: but from him that hath not shall be taken away even that which he hath' (Biblos). In other words, 'The rich get richer, and the poor get poorer' – or the 'winner takes all'.

How do these concepts relate to rankings? Brewer et al. (2001) write that reputation and prestige are assets which allow HEIs to convey 'non price information to customers'; 'reputation is built over time and can be tested, while prestige is intangible and may be based on opinion or perception'. Although the boundary between elite and non-elite universities may have been known only amongst a few people heretofore, this is no longer the case especially in the context of the massification of higher education and the demands of the knowledge economy which privileges such credentials. For Bastedo and Bowman (2011, p. 10), 'rankings constitute a third-party status system that forms a significant part of the normative environment of universities. Chang and Osborn (2005, p341) use Debord's theory of 'spectacle' to argue that rankings create powerful images, which like advertising offer a simple 'picture' through which consumers, parents and students can 'see' an institution. More specifically, students see an institution's place (i.e. its 'value') in the hierarchical order of a *USN*-created spectacular economy.

They encourage a 'positional arms race' with elite degrees conferring advantage which is heightened by their limited number and restricted access (Winston, 2000). In different ways, accreditation and rankings create status systems by emphasizing vertical or hierarchical stratification; Figure 1.1 was designed to illustrate the effect of accreditation systems, but it is equally appropriate to rankings.

**Figure 1.1 Status Systems as Portrayed by Accreditation and Rankings**



Source: With kind permission from Springer Science+Business Media: *Theory and Society*, Third Parties and Status Position: How the Characteristics of Status Systems Matter', vol. 35, no. 3, 2006, pp 307-308, M. Sauder, Figure 1 and 2.

Since status confers benefits, HEIs are active participants in the construction of status systems (Becher and Trowler, 2001). O'Meara (2007, pp. 123-124) describes institutional behaviour or reaction as 'striving', building upon earlier concepts of

'vertical extension' (Schultz & Stickler, 1965), 'academic drift' (Berdahl, 1985) and 'upper drift' (Aldersley, 1995), 'academic ratcheting' (Massey & Zemsky, 1994), and institutional isomorphism towards research culture (DiMaggio & Powell, 1983; Milem, Berger & Dey, 2000; Morphew, 2002; Riesman, 1956). Additionally, this concept has been called, 'institutional homogenization' or 'institutional imitation' (DiMaggio & Powell, 1983; Jencks & Reisman, 1968; Scott, 1995) (sic).

Universities which seek to improve their position in rankings – thereby enhancing their status – are seen to be ‘striving’. A more pejorative way of describing higher education behaviour uses the ‘game’ metaphor, thereby suggesting that engagement with rankings conforms to accepted rules or norms (Corley and Gioia, 2000, p. 320; Wedlin, 2006). Volkwein and Sweitzer (2006) argue that mission, size and wealth influence how an institution deploys its resources and affects (positively) its ‘institutional attractiveness’. Similarly, Winston (2000, p. 16) argues that the ‘positional arms race’ propels all HEIs to spend more money to attract high achieving students; ‘pressure from a school below, through increased spending or reduced price, is more effective in inducing an arms race response than is a growing gap with a school above’.

Rankings are a symptom (Ehrenberg, 2001, p. 16) but also an accelerator of the ‘reputation race’. While higher education has always been competitive, ‘rankings make perceptions of prestige and quality explicit’ (Quoted in Freid, 2005, p. 17). Because of the increased number of institutions and students, and the link between attendance at prestigious universities and career and salary benefits, a ‘higher education arms war’ has emerged. Brewer et al. (2001) and Freid (2005, p. 89) argue that ‘reputation and prestige conferred on elite colleges today is based in part on their selectivity – of the best students and of the best faculty’. Van Vught (2008, p. 168) argues that academic norms play a significant role in shaping institutional and faculty responses to pressures from the external environment; this is especially the case in a market in which ‘universities and other higher education institutions appear to be particularly driven by the wish to maximize their (academic) prestige and to uphold their reputations’. Because rankings advantage traditional academic outputs, they increase the ‘reputation race’ by encouraging ‘mimicking behaviour (imitating the high-rankings institutions)...’ (van Vught, 2008, p. 172). In turn, by restricting access to what society views as critical ‘positional goods’, rankings help maintain the ‘status system’ (Bok,

2003, p. 159). Ultimately, only one university can be number 1; as one moves up, another must move down. Similarly, each HEI has a limited number of student places which enhances the value of each place and intensifies competition.

### **[A] Summary**

The arrival of the *ARWU* and the *THE QS* were remarkably well-timed and auspicious, albeit arguably, global rankings were a product whose time had come. They complement the worldwide shift in public policy and impact on three sets of higher education-government relationships: improving performance and productivity, greater institutional governance and fiscal accountability, and market-led quality assurance and accreditation (van Vught et al., 2002). Global rankings have raised the competitive bar and heaped pressure on institutions and systems – becoming the driver and rationale for significant restructuring and the means by which success and failure are gauged (Ritzen, 2010; Aghion et al., 2007; Lambert and Butler, 2006; Boulton and Lucas, 2008). By highlighting reputational advantage, rankings have affected all higher education institutions – even those which had previously been sheltered by history, mission or governance. HEIs are transformed into strategic knowledge-intensive corporations, engaged in positional competition, balanced fragily between their current and their preferred rank. High-ranked and not-ranked, international-facing and regionally-focused, all institutions have been drawn into the global knowledge market. By granting visibility to some institutions, rankings have become an important tool for strategic positioning and global branding.

The danger of not responding adequately to the challenge of internationalization is tremendous as the best academic institutions are competing intensely to attract the best talent (Universitat Politècnica de Catalunya, 2008).

As a consequence, HEIs are incentivized by the benefits which are perceived to derive from being highly ranked. They are becoming more strategic, reorganizing structures and procedures, allocating resources to fields of study and research which are internationally competitive and re-engineering student recruitment.

In a rational world, because of the neglect of funding and the crisis a lot of people talk about, the problems universities have, in terms of finding support from public sources, getting the best students possible, increasing research capacity with private investment, all that kind of thing... So the rankings are a very pragmatic thing that a Vice Chancellor has to do because they do flow onto the calibre of students they get, the sources of private investment they get, the reputation and calibre of the university and that is important when the financial situation is difficult (Student leader, Australia).

Global rankings are the realization that in a global knowledge economy, national pre-eminence is no longer enough.

But rankings have wider sway. As a product of globalisation, they appear to order global knowledge, and provide a 'plausible' framework or lens through which the global economy and national (and supranational) positioning can be understood (Marginson and van der Wende, 2007a, p.55). Despite continuing dispute about the validity of the choice of indicators and/or their weightings, rankings have acquired legitimacy because the methodology appears statistically rigorous and the various producers willingly engage with critics and occasionally make modifications. Table 1.1 provides a perspective of global competitiveness through the eyes of media headlines, which in turn, sets the agenda and influences public opinion (Box 1.1).

**Box 1.1 Media Headlines**

'International Losses Could Jeopardise Australian Rankings', *Campus Review*,

2009 (Ross, 2009)

‘America Retreats as Asia Advances’ *The Trumpet* 2010 (Jacques, 2010)

‘The Fall of American Universities’, *The Korea Times*, 2010 (Costello, 2010a)

‘Crouching Tigers Ready to Pounce’, *Times Higher Education*, 2010 (Baty, 2010a)

‘Universities to Rival West's in 25 years’, *Global Times*, 2010 (Dong, 2010)

‘Irish Universities Lagging Behind in Global Rankings’, *The Independent*, 2009 (Donnelly, 2009)

‘Odugbemi - How Varsities Can Make Top Global Ranking’, *All Africa*, 2010 (Edukugo, 2010b)

‘Looming Challenges - Universities must look abroad to reverse Japan's brain drain’, *The Japan Times*, 2010 (Fukue, 2010)

‘RP [Philippine] Schools Lag in R&D in Asia’, *Malaya Business Insight*, 2010 (Icamina, 2010)

‘UK holds its own against US giants’, *Times Higher Education Supplement*, 2006 (Ince, 2006)

‘Is Kenya Ready for World-Class Universities?’ *The Standard*, 2009 (Kigotho, 2009)

‘Oxbridge 'Could be Matched' by Chinese Universities’, *The Daily Telegraph*, 2010 (Paton, 2010)

‘A Technological Powerhouse to Rival MIT and Oxbridge; The French are Waking the Sleeping Giant’, *The Independent*, 2010 (Prest, 2010)

Because rankings use quantification as the basis for determining quality and performance, they privilege older, well-resourced universities, which are highly selective in

their recruitment of students and faculty and whose comparative advantages have accumulated over time. Sheil (2009) estimates that there is a superleague of about twenty-five world-leading universities, the majority of which are private US institutions with extensive endowments. Notwithstanding a steep decline of 11.9 per cent in private earnings due to the impact of the GFC, the top ten earning US universities still managed to raise USD 4.4 billion between them in 2009 (Masterson, 2010; CAE 2009). If, however the *THE QS* rankings are recalibrated according to GDP or population size, Beerkens (2008) shows the US slips to 14<sup>th</sup> position and smaller states like Switzerland, Hong Kong, Denmark, New Zealand and Israel rise to the top (Tables 1.2 and 1.3). Hence, depending upon what is measured and how, the world order changes.

**Table 1.1 Indicator of Global Competitiveness?**

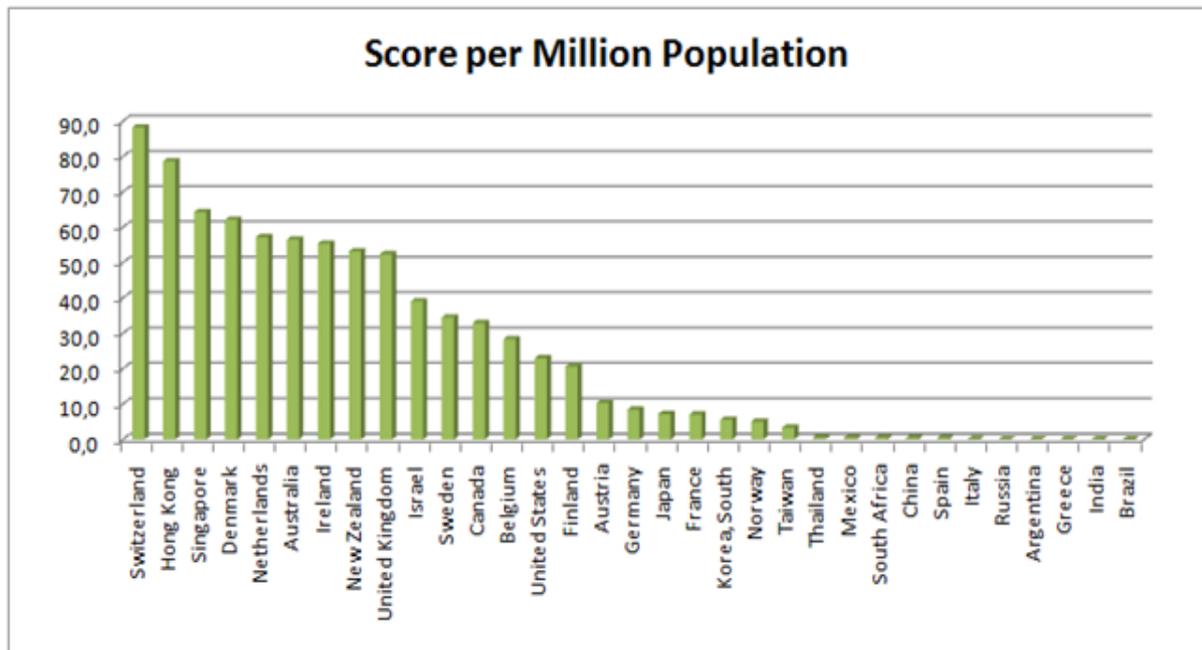
Top 100 Universities	THE-QS			ARWU				QS	THE-TR
	2007	2008	2009	2007	2008	2009	2010	2010	2010
US	37	37	32	53	54	55	54	31	54
Europe	35	36	38	34	34	32	33	42	28
Australia/New Zealand	9	8	9	2	3	3	3	8	5
Asia Pacific (incl. Israel)	13	14	16	7	5	6	6	15	10
Latin America/Africa	0	0	0	0	0	0	0	0	0
Canada	6	5	4	4	4	4	4	4	3
China (incl. HK)	5	5	5	0	0	0	0	6	5

France	2	2	2	4	3	3	3	2	3
Germany	3	3	4	6	6	5	5	5	3
Ireland	1	1	2	0	0	0	0	1	2
Japan	4	4	6	5	4	5	5	5	2
Russia	0	0	0	1	1	1	1	1	0
Singapore	2	2	2	0	0	0	0	2	1
Switzerland	1	3	4	3	3	3	3	3	4
Sweden	1	2	2	4	4	3	3	2	2
UK	19	17	18	11	11	11	11	19	14

Note: Global regions are indicated above the heavy line, and indicative countries below.

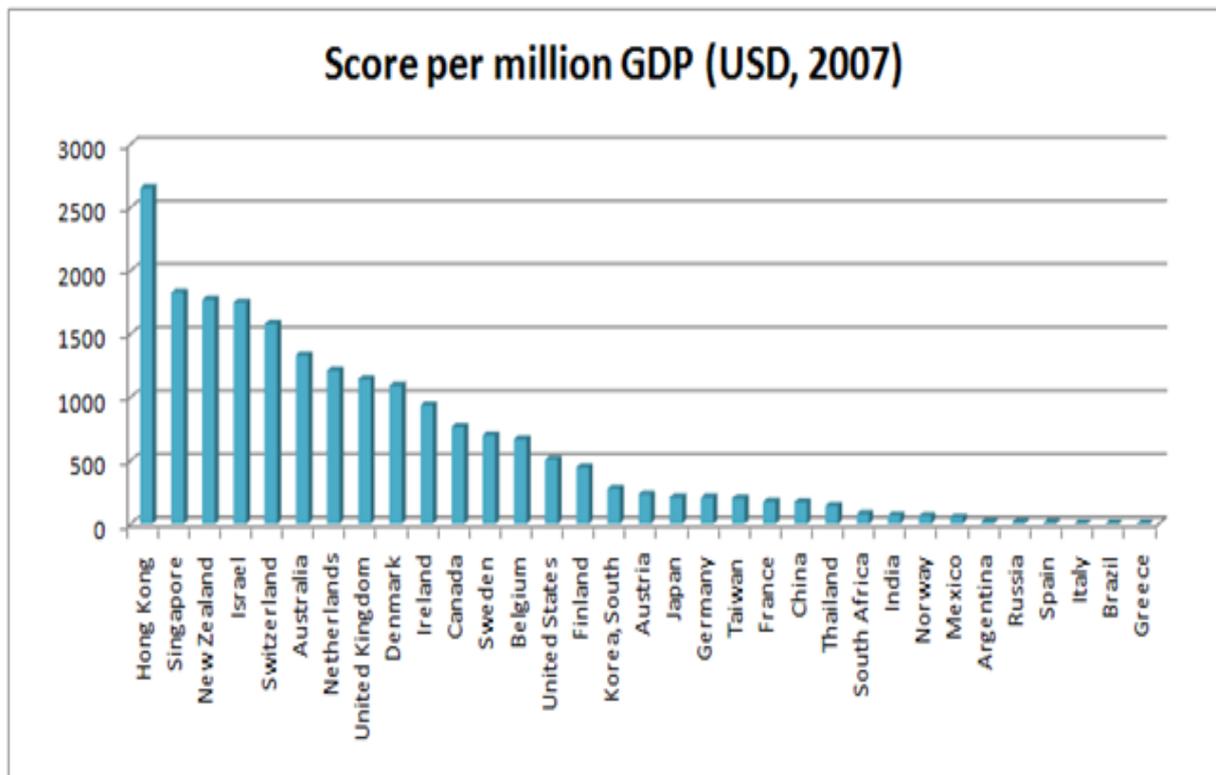
Source: *ARWU*, *THE-QS*, *QS*, and *THE-TR* websites.

**Table 1.2 Rankings Correlated with Population Size**



Source: Permission to publish by the author, E. Beerkens, 2008.

**Table 1.3 Rankings Correlated with GDP**



Source: Permission to publish by the author, E. Beerkens, 2008.

Even though the financial outlay is so high, pursuit of ‘world-class’ status has become a mantra for many governments and institutions paralleling the obsession with rankings; arguably the two have become interchangeable. As Altbach (2003) says, ‘Everyone wants a world-class university. No country feels it can do without one.’ To lose position can be humiliating for nations and institutions alike (EdMal, 2005; Alexander and Noonan, 2007). Fetishization of world-class status is the rationale or justification for the pursuit of elite universities and reconsideration of the desire for the massification of higher education, which was the cornerstone of policy throughout the late 20<sup>th</sup> century (Altbach, 2008, p. 9). As Mohrman et al. argue (2008), the research university has become the basis for an emerging global model (EGM), which has insinuated itself into public and political discourse (see chapter 6). Individuals and public/private agencies, unaware of the nuances of the nomenclature, have unwittingly become its transmitter, using the language of ‘world-class universities’ to publicize their region’s attributes or lobby for a particular strategy.

While widening participation remains a policy priority for every country, the emphasis has shifted from getting more students into school to quality and excellence, to ‘selective investment and greater concentration of research’ and to ‘greater stratification between universities’ (Marginson, 2007c). The argument is sometimes put forth as too many universities or too many students in the context of the (rising) cost of maintaining quality, sometimes portrayed as a tension or conflict between equality and excellence (Flynn, 2010; Martin, 2008; Steinberg, 2009; Berger 2009). Societal goals are seen to be oppositional rather than complementary. This line of reasoning is often ambiguously stated; for example, both OECD and the World Bank temper their promotion of top universities ‘operating at the cutting edge of intellectual and scientific development’ with questions about whether the world-class model is ‘synonymous with ‘elite Western’ models and if there can be

other types of tertiary education institutions (such as teaching universities, polytechnics, community colleges, and open universities) [which can] also aspire to be among the best of their kind in an international perspective’ (Salmi, 2009, p3; Vincent-Lancrin and Kärkkäinen, 2009).

Similarly Birnbaum (2007) has argued

Rather than more World-class Universities, what we really need in countries everywhere are more world-class technical institutes, world-class community colleges, world-class colleges of agriculture, world-class teachers colleges, and world-class regional state universities. The United States doesn’t have a world-class higher education system because it has many world-class universities; instead it has world-class universities because it has a world-class higher education system.

But, their warning is lost in the hyperbole.

The policy panic which has accompanied the current global economic and financial collapse has escalated this trend, exposed national insecurities and propelled countries heretofore agnostic to grab hold of rankings as a justification for sudden policy adjustments and system restructuring. International research prestige is pitted against mass education demands (Mohrman et al., 2008, p. 19). The EGM favours institutions with

English speaking faculty and students, science disciplines, research topics that attract funding from businesses and society, publications in international journals, and graduate programs in which human capital development and knowledge production are complimentary rather than competitive (Mohrman et al., 2008 p. 25).

As will be evidenced latter in this book, these are some of the outcomes many HEIs and governments are actively seeking to achieve in the belief that being highly ranked is not just

equivalent to being better quality but to being globally competitive. The effect is apparent at all levels. Students – especially international students – are both an object of desire and a diligent user of rankings, as are other stakeholders who range far beyond the initial target audience. Faculty are both victims and cheer-leaders, depending upon their own position within the international academic labour market and the ‘status system’, as institutional resources are shifted to areas that shape prestige. At the national level, rankings have become a (convenient and timely) policy instrument and management tool. Ultimately, governments and institutions use rankings to guide restructuring of higher education because societies which are attractive to investment in research and innovation and highly skilled mobile talent will be more successful globally. Finally, rankings amplify the growing gap between elite and mass education, heightening the value of key ‘positional goods’ essential for global competitiveness, and intensifying the attractiveness of ‘winners’ with consequential implications for social equity and other institutions and countries.

<sup>1</sup> The IAU *World Higher Education Database* (WHED) provides information on 15,400 university-level institutions (institutions offering at least a post-graduate degree or a professional diploma in 4-years or more) in 180 countries.

<b>Region</b>	<b>No. Countries</b>	<b>No. Institutions</b>
Africa	51	1006
Asia	31	4479
Caribbean	11	114
Europe	49	3736
Latin America	20	1947
Middle East	14	348
North America	3	3685
Oceania	9	85

<sup>2</sup> CHE – Centre for Higher Education (Germany); AQA – Agency for Quality Assurance (Austria); CIEES – *Comités Interinstitucionales para la Evaluación de la Educación Superior, A.C* (Mexico) The Inter-Institutional Committee for the Evaluation of Higher Education; CACEI – *Consejo de Acreditación de la Enseñanza de la Ingeniería, A.C* (Mexico) Counsel of the Accreditation of the Teaching of Engineering; CENEVAL - *Centro Nacional de Evaluación para la Educación Superior— CENEVAL (Mexico)*;CNEIP - *Consejo Nacional de Enseñanza e Investigación en Psicología* (Mexico) National council of Teaching and Investigation in Psychology; NAAC – National Assessment and Accreditation Council (India); NBA – National Board of Accreditation (India);TUBITAK - The Scientific and Technological Research Council of Turkey.

