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Public goods and public policy: what is public good, and who and what decides?

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Abstract

Higher education (HE) is usually seen as serving the public good, especially when funded directly by the state, and because of potential social effects such as a reduction in inequality and an increase in social mobility. Public support for higher education is conditional; however, on its capacity, capability and willingness to educate citizens, and to create and disseminate knowledge. But what is the public good and what defines it? Recent years have seen many governments adopt the format of a national strategy or development plan for higher education—setting out national objectives. Similarly, many governments (e.g. Ireland, Netherlands, Hong Kong, Finland and New Zealand) are adopting the policy tool of performance agreements or compacts to better align higher education institutions (HEI) with the national objectives, involving identification of appropriate performance management and indicators. The process by which national objectives are determined varies but may involve a group comprising national and international 'experts', sometimes using consultation mechanisms (open or limited). The concept of public good has played a significant role in (re)positioning higher education over recent years. This is especially so in response to growing demands for greater accountability for all public organisations, but also, specific concerns regarding growing higher education access/participation, costs/debt, graduate employability/unemployment, and social/economic impact. This paper takes a practical approach—by asking 'what is the public good' and 'who defines it' and looking at how different countries are approaching the issue.

Keywords Public good · Public interest · Governance · Performance agreements/compacts · Accountability

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Introduction

Today, as the debate about widening participation, employment and graduate attributes and the importance of higher education (henceforth HE) and research intensifies in many countries, the public is asking whether its interests are being served. There is a broadly positive perception of HE, with most people appreciating a college education as important and highly valued (BSA 2013; Ipsos MORI 2010; HEFCE 2010), but issues and responses vary depending upon who is asked—students, parents, employers, the media or politicians as well as by social class and geography. US surveys highlight concerns about credential relevance and spiralling costs with many people unhappy with levels of accountability (Public Agenda 2016). An AACU survey showed a gap between how students and employers viewed career readiness (Jaschik 2015). Other reports present HE as too self-serving, insufficiently concerned with providing students with a quality education or issues beyond the campus (Immerwahr and Johnson 2010; Lumina 2013), with the public expressing degrees of unfamiliarity with its many functions and contributions (HEFCE 2010; UPP Foundation 2018, 5). Eighty-three percent of European students '(strongly or rather) agreed that independent reports on the quality of universities and programmes would help students to decide where to study', and an equally high proportion would like to be involved in quality reports and rankings (Eurobarometer 2009, 5).

Higher education is not a popular political sell against competing demands from elsewhere in society, e.g. early schooling through to the secondary schools, health and social services. The 2016 Brexit referendum and US Presidential elections highlight uncertainty around HE's role in society, experts as elites and the extent to which single-minded pursuit of global reputation generated schisms between local, regional, national and global-facing constituencies (Goodwin 2016). Universities are often depicted as 'islands of affluence, self-importance, and horticultural beauty in seas of squalor, violence, and despair' (Harkavy quoted in Boyer 1996, 19). These tensions underline the message that public support for HE is only given and maintained according to its capacity and willingness to 'educate citizens in general, to share knowledge, to distribute it as widely as possible in accord with publicly articulated purposes' (Calhoun 2006, 19).

In recent years, the concept of public interest—or public good—has played a significant role in shaping what the university and the academy do, and how they position themselves in response to growing uncertainty and demands for greater accountability. Whilst these calls affect all public organisations, there are specific issues for HE: concerns about access and participation; costs, affordability and debt; employability and graduate attributes; relevance, and social and economic impact and benefit. Traditionally, defining and asserting the value and quality of HE has been a function of the academy itself. There has been a strong history of civic and land-grant universities prompted and supported by the state not just in the UK and the USA but elsewhere. However, there is an underlying assumption that because universities may be publicly funded, their actions and outcomes ipso facto are in the public interest. Today, that assumption is coming under pressure. The pendulum is moving from academic self-accountability towards stronger external processes monitoring and assessing social and public accountability. So, with this change, what is the public good, and who or what defines it?

Recent years have seen many governments adopt the format of a national strategy or development plan for HE as a means of setting out national objectives—or arguably shaping the 'public good'. Some governments (e.g. Ireland, Netherlands, Hong Kong, Finland, Ontario and New Zealand) adopted the policy tool of performance agreements or institutional compacts to better align higher education institutions (HEIs) with national objectives. In some instances, specific targets have been set. This involves identifying appropriate performance indicators and management (Benneworth et al. 2011; de de Boer et al. 2015). Whilst there are historical differences between centralist and devolved governance systems, these processes are in effect an attempt by governments to set out, as unambiguously as is politically possible, the responsibilities of HEIs to society. The process by which national objectives are determined varies but can involve a group comprising national and international 'experts', sometimes using consultation mechanisms (open or limited), e.g. involving stakeholders from outside and inside the academy.

This paper takes a practical approach, both in relation to asking 'what is the public good' but particularly in terms of asking 'who and/or what defines it'—a question which seems to be discussed less often in the literature. There are four main parts. Part I takes a broad look at the literature and how it distinguishes between the public and private good. Education, in general, has traditionally been regarded as being for the public good. This view has also been extended to HE because its benefits (graduates and public rates of return) extend beyond the individual to society, but there are also clear private benefits to the individual. Part II charts increasing tension between the state and regulation, which appears in terms of friction between university autonomy and public accountability, and discussions around the social contract. Part III looks at the growing usage of national strategies, performance compacts and performance pay in response to these tensions. Tensions around accreditation and the role of stakeholders in university governance reflect contestation around areas which traditionally have been firmly under the purview of the academy. It looks briefly at how this manifests itself in Ireland and the Netherlands, with references to growing tensions around accreditation in the USA and teaching performance in the UK. Finally, part IV concludes by asking how tensions around public good objectives might be resolved and considers whether we are witnessing a reframing of the process for determining the public good with possible wider implications.

The key issue in this paper is not whether, or not, education is a public good or contributes to public benefit, but rather how, why and by whom the public good is determined, and accordingly the implications for the university and society. Heretofore, the focus has primarily been on defining the public good and discussing its value to individuals and to the society. This paper differs. It aims to provoke a wider discussion about the process of doing the public's business—an issue which has largely been ignored in the literature. These questions have become more prominent in the aftermath of the 2008 Great Recession which have induced a wider public and political debate around the role and responsibilities of higher education and research in the context of budgetary restraints, widening inequalities and stratified opportunities. As such, this paper does not consider matters of normative definitional questions but rather assumes 'the public benefit' and 'the public good' are descriptively valid in the widest sense, and points instead to this concept's place in a broader political and public discussion.

Negotiating the public good

In terms of HE, it is the founding fathers of the contemporary university, John Henry Newman and Wilhelm von Humboldt, who set out how these institutions are to serve the public good. Both effectively assumed that, in so far as its establishment and purpose were aligned with the social reproduction of élites, the university served the public good (Green 1997, 57). Newman's version was explicitly Catholic, and in a lecture in 1852 before becoming rector of the newly founded Catholic University of Ireland (today, University College Dublin), he said '[i]f the Catholic Faith is true, a University cannot exist externally to the Catholic pale, for it cannot teach Universal Knowledge if it does not teach Catholic theology' (Newman 1933, 209–210). Similarly, Humboldt's university was a decidedly Prussian institution. Whilst it went beyond the merely vocational, its pursuit of knowledge and education was to serve the purposes of that assertive state. In both versions, the 'good' was specific to the sociopolitical and theological context, rather than a disembodied, cosmopolitan ideal as it is often deployed in arguments today.

It was the 1950s, however, that saw a landmark departure in how 'public good' was conceived. In a short three-page paper, the economist Paul Samuelson (1954) put the discussion of the public good on to what was regarded as a firmer, more 'scientific' footing. Proposing what he termed 'the pure theory of public expenditure' he set out the concept of a 'collective consumption good' (referred to now as a pure public good). In attempting to define the ramifications of private action in a market, he recognised that public actions and collective consumption goods have consequences for others not directly concerned. Subsequent work on public and private goods distinguishes between state and non-state functions or responsibilities. Public goods exist in the context of 'market failures', with the state stepping in to provide what private interests cannot. The conditions he set are that a public good should be non-excludable and non-rivalrous, with the standard examples being things such as sanitation, national defence and lighthouses.

The question as to whether HE is itself a public good or produces/contributes to 'public benefit' or 'public value' exposes fundamental tensions at the heart of this debate. Higher education has long been discussed in these terms, and the history of this discussion and its implications is broad and varied. Indeed, different attitudes towards definitions and terminology around 'public', 'good' or 'benefit' show how this is a complex and fraught nexus of ideas and concepts, and 'these issues look different from country to country. Systems vary in the extent to which they produce education or research as private goods in the economic sense of market goods' (Marginson 2018, 335; see also Marginson 2011 and Marginson 2016). Nevertheless, the fact that access and participation rates are discussed as problems to be addressed demonstrate HE as excludable and rivalrous. As Usher (2015) points out: 'Classroom space is very definitely rival[arous], and it is trivially easy to exclude people from education – no money, no degree'.

Making a simplistic distinction between HE and a university-based research raises other issues. Producing new knowledge is seen as closer to being a pure public good; its benefits are indivisible, and can be used by any number of people without being depleted as a 'global public good' (Stiglitz 1999). In this sense, however, knowledge is not synonymous with either research as a process nor the university as the site of research. However, it could be argued that academic pursuit of reputation, including the high prices charged by some academic publishers, exposes the fallacy that the scientific community is necessarily 'open' and its "public goods…easily accessed" (King 2009, 426). Academic peer review acts as a powerful gatekeeper apportioning access to 'positional goods' in an increasingly competitive environment. As one way of addressing this, 'most funding agencies now require publicly funded research to publicise and communicate results in open-source formats' (Hazelkorn 2016, 51).

That said, because of the 'social benefit efficiency gains and potential equity effects on the opportunity and reduced inequality' (McMahon 2009, 55), HE is usually seen as serving the public good, especially when funded directly by the state. As such, McMahon (2009, 49) distinguishes between the public good in general and 'social benefits'. Brown (2011, 9) also acknowledges that whilst HE may not meet the conditions for being a public good, it "may still be undersupplied because it provides wider benefits, the costs of which cannot necessarily be recouped by the provider and reflected in the price set for the product". The OECD notes both public and private benefits of HE through terms such as private and public rates of return on education (OECD 2014a, 150, 155–156). The 'private good' view of HE reached its most explicit formulation with the 2001 General Agreement on Trades and Services (GATS) which recognised HE as a publicly traded service, thereby transforming it from a public good into a 'commodity' (Robertson 2006).

Critics argue that a difficulty with these arguments is that the concept of public good is too strongly situated within the realm of economic 'utilitarianism' in contrast to its traditional and 'cultural' lineage which emphasised education's broader and intrinsic societal contribution (Bleiklie 1998; Bear and Mathur 2015, 20). Slaughter and Leslie (1997) notably argue that the emphasis on HE's economic or 'techno-science' role has pushed it closer to corporate values and profit-making in contravention of its assumed public good role. Pusser (2006, 19) draws on Habermas to argue that the university is 'the public sphere', the place where 'open conversation and collaboration in a public space, where critiques could be generated in pursuit of the public good'. Bergan et al. (2013) argue for an intrinsic connection between democratic society and HE through its commitment to the common good. This role is often asserted by seguing into HE's contribution as 'anchors of stability and growth in their regions' (AAA&S 2016). Differing perspectives on the purpose, role and attributes of HE reflect these myriad interpretations (Kerr 2001; Duderstadt 2000).

Discussion about public good often takes place in the context of asserting philosophical and ideological views. Bleiklie (1998, 300), however, suggests that 'even without conscious attempts at changing the universities as organization, the sheer magnitude of their tasks would lead to sweeping changes in the ways they solve them'. Pusser (2006, 16) identifies the early 1970s in the USA as the time when the "public policy and institutional debates no longer turned on the question, 'Is the right to a higher education a public good?' …[but rather] Who Pays? Who Benefits? Who Should Pay?" Calhoun (2006, 10) similarly argues that such a discussion moves us beyond asserting that 'universities…have public missions' to "ask[ing] about four senses of 'public': (1) where does the money come from? (2) who governs? (3) who benefits? and (4) how is knowledge produced and circulated?"

Redefining and re-regulating the 'social contract' and governance

The earliest European universities focused predominantly on teaching the professions and elites and owed their origin 'less closely to economic or demographic patterns than to the exercise of local political authority by the church or state' (Vallance 2016, 17). The emergence of modern science in the Enlightenment era engendered a closer connection between the university and the society and underpinned the formation of the nation-state. During the early colonial days in the USA, colleges were created with an emphasis on religion, which broadened to include democracy. Latterly, the establishment of civic universities in England and land-grant universities in the USA fit within this extended public good tradition, with comparable examples in other parts of the world. There was a strong focus on community and democratic society, and higher education's responsibility to produce practical research of relevance to their communities. As the systems expanded, newer types of institutions, such as vocational schools and colleges, polytechnics and community colleges were established. The state was the primary driver, creating educational institutions to meet a growing and widening social and economic agenda. The civic tradition was strongest in these early years. However, growing differentiation and stratification between academic and professional education, between research-led and teaching-focused, combined with globalisation and the pursuit of 'world-classness' encouraged a gradual civic disengagement by the academy.

At the same time, there have been changes also in the relationship between the state and HE, similar to that between the state and other public services. Dill (1998, 362) describes a 'shift from an earlier uneasy balance between professional and state control to some new combination of state and market control'. Concepts such as 'managerialism' and 'corporatisation' seek to explain and describe a process of profound reform and restructuring across public services, with implications for the management and organisation of HE, and academic culture and work (Ferlie et al. 2008, 326). There was an increasing interest in the market as a more effective means to drive change, efficiency and public benefit for customers and consumers. Neave suggests the emergence of the 'evaluative state' is part of a longer-term re-balancing between HE and the state, one that is 'embedded' in the massification of HE and the desire to ensure a 'more rapid responses from institutions of higher education' (1998, 282; also Dahler-Larsen 2007, 615). The origins of these changes across the UK, Australia, and the USA in the 1970s–1980s are associated with the political rise of neoliberalism, tied with the fiscal crisis of the state in these countries, with consequent spill-over effects internationally.

Others, such as Guston (2000); Guston and Keniston 1994) have situated the origin of change further back, in debates between scientists and the US federal government towards the end of WW2, and the realisation that scientific knowledge could be a competitive advantage. The resulting 'golden age', in which money flowed freely and the government did not 'interfere' with a self-regulating scientific community, was predicated upon a 'social contract' in which both sides upheld (often unstated) parts of the bargain. By the 1970s, however, the public began to express concerns about research's costliness and value, with greater public scrutiny followed.

As the knowledge economy paradigm, globalisation, and recently, the Great Recession hitched HE's fortunes to the nation-state, and vice versa, these deliberations took on greater potency. Ambitions to strengthen competitiveness and secure a greater share of the global market, to ensure appropriate capacity and capability across the innovation system and to reinforce the impact and benefit on/for the economy and society placed HE at the centre of policymaking. This transformed the university from a locally based institution to one with geopolitical significance. Global rankings played their part, comparing and measuring success in terms of global science. Because HE and its outputs do not exist in isolation, issues of performance and productivity and quality and excellence became part of an increasingly politicised and public international conversation. There have been resulting implications for governance, management and organisation, for funding and resources, and for the language and actions around dissemination—now expressed in terms of demonstrating, showcasing and assessing outcomes, impact and benefits. Early on, Trow (1974, 91) acknowledged that as the HE system expands, and HE comes 'to the attention of larger numbers of people, both in government and in the general public…[they will] have other, often quite legitimate, ideas about where public funds should be spent, and, if given to higher education, how they should be spent'. Accordingly, new modes of achieving accountability have gained prominence. Clark's (1983) classic 'triangle of coordination' (between the state, markets and the academy) has been overtaken as the number of societal actors has increased, with the transformation from the 'triple helix into quadruple helix and then the 'quintuple helix' (Etzkowitz and Leydesdorff 1997; Carayannis et al. 2012).

Multi-actor environments challenge traditional views of the university as the sole/primary producer of knowledge, and forces it to actively engage with societal, civil and economic stakeholders, and connect with issues, problems and organisations beyond its campus boundaries (Hazelkorn 2016, 40–44). Almost regardless of world region, there has been a noticeable shift to measuring teaching and learning outcomes to allow the public to judge whether graduates have the threshold qualities expected. Universities and individual scholars are asked to demonstrate their contribution or the impact or value of publicly funded research—with the operative word being 'demonstrate'. No matter how much these discussions vary, it is clear that determining quality no longer rests solely with the academy, higher-education providers or (even) quality assurance agencies or accreditors (Harman 2011, 51; Dill and Beerkens 2010, 313–315).

Institutional autonomy accompanied by academic peer review have both been prized principles of the academy, underpinning academic professional self-regulation (Rowland 2002, 248). It has been an important symbol of independence of thought and decision-making, enabling the academy to shape its curriculum and research, be the primary determinant of quality, and speak 'truth to power, even in politically challenging environments. University autonomy was affirmed in the Bologna Declaration; it had been a long-standing principle in the USA. HE with roots in the first amendment of the constitution. Pusser (2006, 21) notes that the 'public sphere depends on autonomy at many levels – individual, institutional, and social – to enable unfettered critical engagement to flourish'.

But, arguably and ironically, the attributes which have underpinned autonomy's value to the academic community are precisely those which are contributing to a breakdown in trust between HE and students, policymakers and civil society, undermining the social contract (Harman 2011). There has been a growing distrust with traditional collegial mechanisms, and what appear to be labyrinthine and obscure processes, and weak articulation of the rationale for public expenditure in pursuit of public goods. Over the years, there have been various trade-offs and accommodations between accountability and autonomy, but too often genuine public interest has been brushed aside as the rhetoric of neoliberalism. Ultimately 'society has a right to know whether its institutions are capable of meeting its expectations' (Massaro 2010, 22). If HE is the engine of the economy (Castells 1994), then its productivity, quality and status is a vital—and valid—indicator of excellence and competitiveness. Rankings purport to speak to this agenda, but their narrow focus on elite universities and research cannot adequately respond to "public good" questions.

System Steering: Ireland and the Netherlands

During the 1990s, there was a shift in some countries towards market-led and competitive mechanisms as the preferred way to regulate HE, with government adopting a 'steering-from-a-distance' approach. Recent changes reflect wider concerns around market limitations in many other domains, such as banking and financial services. Accordingly, governments have stepped up their role, endeavouring to steer, (re)regulate and (re)structure HE in ways which, whilst supportive of autonomy, use various mechanisms to ensure a closer alignment between HE and national objectives. Van Vught (1989, 21)has described 'efforts of government to steer the decisions and actions of specific societal actors according to the objectives the government has set and by using instruments the government has at its disposal'. This puts the achievement of public value at the core of decision-making (Stoker 2006, 49). Whilst there are historical differences between centralist and devolved governance systems, there is a desire to better align the responsibilities of public institutions with the needs of society.

The EU Modernisation Agenda (Europa 2006) emphasised accountability, transparency and comparability. The US Commission on the Future of Higher Education (2005) made similar statements, with subsequent actions including the Education Scorecard (2015) and the College Dashboard. The UK government changed the architecture of HE governance, as well as introducing instruments to assess research (RAE/REF), teaching (TEF) and shortly knowledge-transfer (KEF). Traditional peer-review accreditation has also come under scrutiny in the USA. Many countries have introduced performance-based funding models to encourage or 'nudge' universities to focus on specific outcomes in line with government priorities. This has been a strong feature of many US state systems (Hazelkorn 2018).

Another approach, gaining considerable traction internationally, are performance agreements—variously called compacts or contracts, which resonate more strongly with the implicit social contract model discussed above. Rather than a top-down formula, it relies on a process which recognises and respects institutional autonomy and involves a discussion or 'negotiation' between the funder (the ministry or its agency) and the institution around a set of objectives and performance targets (de de Boer et al. 2015; Benneworth et al. 2011). Scotland[1] and Ontario, Canada, to name just two jurisdictions, have introduced strategic mandate agreements to shift the discussion away from 'how much money is spent on higher education' to 'how the money is spent and what outcomes are being achieved' (Weingarten et al. 2015).

The following two vignettes describe how two European countries, Ireland and the Netherlands, are effectively reconfiguring the 'social contract' between HE and the state. The issue being highlighted is the process by which the public good is defined in terms of negotiation rather than by assertion. The two countries were chosen as illustrative of this trend, albeit both systems are well known to the authors professionally. But the reasons go beyond this. Both countries are outside the standard Anglophone research nexus of examples taken from the UK and USA (as has been the case with the public good examples discussed above). There are three primary reasons for their selection.

Firstly, in terms of political culture, both Ireland and the Netherlands are 'consensual democracies' (Lijphart 2012), in contrast to Anglophone political systems (e.g. the USA, UK, Australia and Canada) which are majoritarian. Both Ireland and the Netherlands have proportional representation, whereby coalition government is the rule rather than the exception; this necessitates a less adversarial way of doing business which often extends into other aspects of policy/decision-making, such as collective bargaining, extended periods of public/stakeholder consultation and industrial models of 'social partnership'. By requiring a cooperative approach, the consensual approach tends to prevent steamrollering policy changes in favour of a slower, deliberative process; zero-sum arguments are less common.

Secondly, both countries have binary HE systems, with traditional universities and institutions of applied sciences (Institutes of Technology in Ireland and Universities of Applied Sciences or *Hogescholen* in NL). These institutions have had state involvement from their inception, with strongly defined missions (mandated in legislation) to serve their regions in the educational and research priorities. Finally, Ireland and the Netherlands are not highly marketised systems of HE. This means that market-led funding and other competitive mechanisms such as that promoted, for example by the English government, are not the primary way of 'doing business', either for their HEIs or policymakers. Indeed, the latter has left the

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[1] http://www.sfc.ac.uk/funding/outcome-agreements/outcome-agreements.aspx

English government with few opportunities to both conceptualise the 'system' and/or steer it for the public good, instead of leaving each institution to interpret this for themselves.

Ireland

Between the late 1950s and the millennium, Ireland was transformed from relative isolation, self-imposed protectionism and late industrialisation to becoming an important English-speaking 'digital isle', a beach-head between the USA and Europe. For a country with few natural resources, Ireland's development of a system of Regional Technical Colleges,[2] membership of the European Economic Community (later the European Union) and the OECD, and subsequent adoption of the knowledge economy paradigm, were pivotal to framing policies for economic growth (Hazelkorn et al. 2015). Later, as a small open economy, part of the EU but on the edge of Europe, global competitiveness and then the global financial crisis exposed structural problems of over-dependence on multinational corporations, a narrow tax base and high dependence on debt-based consumption, leaving the country with high levels of both public and private debt.

In response, a series of key policy documents and national strategies placed HE and university-based research at the centre of the policy mix. In recent years, Building Ireland's Smart Economy (DoT 2008) endorsed heavy investment in R&D and promoted reform and restructuring of HE, with 'new organisational mergers and alliances that can advance performance through more effective concentration of expertise and investment'; the Report of the Innovation Taskforce (2010) reinforced this vision.

In parallel, the state began to take a keener interest in the overall shape of the HE landscape and outcomes, and management and governance of HEIs. The National Strategy for Higher Education to 2030 set out a 'comprehensive policy and operational framework for the development of our higher education system' (DES 2011, 2) The concept of the system-as-a-whole was introduced as a counter-weight to the view promulgated by university rankings which elevate the performance of individual institutions—not least because the country's size and budget arguably prohibited an alternative strategy. Consequently, the report endorsed the idea of a confederation of autonomous HEIs working together for mutual benefit to aid regional development and global competitiveness. Institutional compacts, 'negotiated' through a process called 'Strategic Dialogue', have been designed to better align institutional mission and performance with overall national policy objectives (HEA 2013) with regard to institutional autonomy. The latter have been set down by the government in the Higher Education System Performance Framework, 2014–2016, and 2018–2020 (DES 2014, 2018). Underpinning these developments has been a greater focus on information-gathering, as a means of strategically understanding the system and for profiling, comparison and broader accountability (HEA 2015).

At the same time, research management and funding at a national level has been restructured, with down-stream implications for institutional organisation and management of research. The Research Prioritisation Exercise (RPE) favoured a 'more top-down, targeted approach' for 14 priority areas strongly aligned to industrial sectors (Forfás 2011). Explicit reference to economic relevance trumped broad-based excellence, and the role of science and technology effectively side-lined historic affiliations to the arts and humanities (Gibson and Hazelkorn 2017). Innovation 2020 (ICSTI 2015), introduced as Ireland began to emerge from recession, has moved away from the shriller language of research prioritisation with greater support now being given to research across all disciplines.

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[2] RTCs were forerunners of today's Institutes of Technology.

Netherlands

The Dutch government over time has assumed a greater role in the affairs of HEIs, starting with the University Administration Reform Act, 1970. This was in part a reaction to the international student unrest of the 1960s and saw efforts to 'democratise' the governance of the university. This led to bureaucratisation through increased rule-making, as greater involvement of other stakeholders (such as students) with regulations taking the place of corporate traditions as the basis of university governance. The other factor influencing changes in Dutch higher education was a period of prolonged economic downturn, and legislation in 1975 which continued the trend of the government's intent to make universities more productive and efficient, and the introduction of the principle of a long-range scientific planning (Geiger 1986, 94–96). This was an attempt by the government to 'bring science and technology back under economic control' as a response to the continued decline in the Dutch economy (Benneworth et al. 2016, 130–132); programmatic research funding was a natural follow-on. The most recent and profound set of reforms began in 2011 with the Veerman Commission on the Future Sustainability of the Dutch Higher Education System, and subsequent white paper (MoECS 2011). It outlined the rationale for reform, noting a failure by the system to meet the varied needs of students and labour markets, including poor student outcomes.

The report received broad support across various stakeholders (HEIs, students, employer organisations, parliament and government), and a process of collective and individual performance agreements was proposed to address education quality, student progression rates, as well as 'valorisation' of research. Universities and Universities of Applied Sciences (UaS) both signed collective strategic agreements with the relevant government ministries through their associations, which provided a framework for the agreements made by individual HEIs that followed (OECD 2014b). Another policy response sought greater differentiation of the HE system, in terms of system structure, institutional profiles and programmes. In 2015, the Dutch Ministry of Education, Culture and Science published The Value of Knowledge—Strategic Agenda for Higher Education and Research 2015–2025 (MoECS 2015a). This noted the findings and reforms implemented by the Veerman Commission, specifically the implementation of the performance agreements across the HE sector (see also MoECS 2011). The agenda set out ambitions under the headings: world-class education; accessibility, talent development, and diversity; and social relevance.

Formulation of the Dutch National Research Agenda involved a coalition of the universities, universities of applied sciences, university medical centres, various national research organisations and academies, and the Confederation of Netherlands Industry and Employers. The coalition has sought to identify national research questions, either as societal or economic challenges, utilising an online public consultation process. Almost 12,000 questions were submitted and then assessed as suitable for the national research agenda; ultimately 140 scientific questions were identified through this crowd-sourcing process (MoECS 2015b).

These two examples spotlight changing models of defining the 'social contract', by reconfiguring the process by which the public good and public benefit are themselves (re)conceived. In structural terms, they suggest the factors leading to these shifts can be social, political as well as economic. The process may be multi-lateral and multi-sectoral, engaging negotiation, randomly selected and broadly representative groups and/or public consultation.

As such, conceptualisation of public benefit is not simply a process of elites forcing change. It can, in fact, and in contrast, be an emergent process. Both examples illustrate how national ‘politics of accommodation’ (Lijphart 1975) can influence the process, balancing the needs of society, the academy and the economy. Public consultation exists elsewhere of course (e.g. New Zealand Productivity Commission 2016; Ireland Convention on the Constitution, 2014), but the Dutch National Research Agenda online platform shows how, with regard to HE, the public can be brought into the process in a systematic and direct way rather than a representative format. The case of Ireland illustrates how ‘public benefit’ is conceptualised as multi-faceted, and that HEIs can (be encouraged to) come together to define goals that meet their own institutional needs whilst also serving the public benefit.

Conclusion: a way towards reframing the public good

Massification has altered underlying assumptions of the university’s and the academy’s commitment to the public good, or at the very least brought them into question. Articulating the responsibility of the university to society is not new, but it has been given greater saliency as the student cohort has diversified and the challenges facing society have heightened in intensity.

The economic and political environment over recent years has transformed the policy imperatives around HE and research, as well as all other public services. There are heightened concerns about value-for-money and return-on-(public)-investment almost everywhere, albeit to different degrees. There is less public tolerance of academic privilege and self-promotion, and almost everywhere there has been a decline in public trust (Enders 2013). Whereas universities once ‘had a sense of shared intellectual purpose…, bolstered by the security of centralised funding and control’, their environment for some time has been ‘more complex, fluid and varied’ (Meek 2003, 4). There are a growing and a wider range of different interests to which HE must respond. This has led to greater public and political discussion, and government direction and monitoring of the HE and research systems.

The case for enhanced public engagement between HEIs and their multiple publics can similarly be a mechanism for effectively circumnavigating difficulties which have traditionally beset ‘town’ and ‘gown’ relations. Universities may proclaim their autonomy, but the interests of the campus are not self-evidentially synonymous with the interests of society. Finding new ways through this complex and tensioned terrain requires new forms of governance. This shift is often portrayed in terms of the ascent of neoliberalism and a betrayal of university interests. A one-dimensional conceptualization of neoliberalism or new public management (NPM) is often posited, describing changes in governance in terms of the adoption of private corporate mechanisms to public sector organisations and not just HE. It is operationalised in terms of control and power, and often refers to matters of resource allocation or an undermining of academic values. A contrary view, however, suggests that reconfiguring the public good is part of a wider discourse about the role and responsibilities of higher education, which changes its relationship to society and to knowledge (Hazelkorn 2018). According to Delanty (2001, 154), neither ‘knowledge as an end’ or ‘the end of knowledge’ adequately convey today’s complex relationship between users and producers. Instead, envisioned as a set of negotiations, this process projects opportunities for HE to both defend and expand its sectoral and institutional demands. It also provides HEIs with an opportunity to reconnect with their stakeholders and regain public trust. The process of performance agreements or compacts, for example, shows that different goals need not be mutually exclusive and that being responsive to society can give the academy's own goals legitimacy in a wider sense.

The examples of Ireland and the Netherlands highlight that the state-university interface is undergoing a reconfiguration. The importance of responding to labour market needs is not simply acquiescing to the market, but responding to and respecting the needs of students and society. In the wake of prolonged recession and recovery, there is an expectation that HE, given its importance to society and the economy, and to individuals, has a responsibility to help meet these needs; by raising concerns, there is a presumption that this is not being done effectively or sufficiently. Governments describe their efforts of creating the appropriate 'architecture' to improve system governance, outcomes, impact and benefit, and thus holding the system to account, according to the governmental programme and common goals. Historical, social, cultural and economic contexts play a big role in framing the context. Ultimately, the public good is shaped by and derived through democratic processes, and enshrined in policy. Tensions arise if or when 'universities are not willing to or able to, or they don't see that as a good solution (…) and that affects the whole system' (HEA 2016). Good governance can balance the missions and objectives of all stakeholders in a way that can advance the public good. The strategic dialogue process and performance compacts are a potential means to reconstruct trust as well as meet the requirements of the public accountability agenda in a way that acknowledges, supports and balances autonomy with national objectives.

Finally, intensifying prominence being given to matters of accountability and transparency suggests further change. The relationship between HE and the public is too often one-way 'engagement', communicating the university's work to the public (which conveniently also serves as positive public relations). Engagement is frequently about getting the public to better 'understand' the university and its work. But, the limitations of this approach are obvious, as higher education becomes increasingly isolated. The above examples suggest an alternative process by which the public good emerges as part of a negotiation. New technologies are likely to introduce new complexities as the participation of citizens becomes easier. Thus, this paper is a provocation. It reframes the debate in terms of managing the public good in the age of massification, internationalisation and globalisation. Ultimately. it seeks to move the discussion of public good beyond definitional semantics to explore a more expansive conceptualisation of who, why and most significantly how the public good is defined and manifested.

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