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# **The Commercialization of Universities: Ranking Systems and “Business” of Higher Education**

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### The Commercialization of Universities: Ranking Systems and “Business” of Higher Education

Ranking systems have become the most essential indicator for those people who are eager to study overseas. According to the statistics from Organization for Economic Cooperation and Development (OECD), they illustrate that “the number of international students rose from 0.8 million in 1975 to 3.7 million in 2009...[and] the number is increasing by about 12% each year” (Sood). This statement demonstrates that an extensive scale of students’ mobility around the world shows the tendency of studying overseas, and ranking systems turn out to be one of the avenues to receive the information of institutions particularly their positions. However, each ranking system has its own methodology of institutional evaluation with multifarious evaluative parameters that go with different ratios. For instance, the international ranking like *Shanghai Jiao Tong (SHJT)* from China, *The Times* and *QS* from England are all publically acknowledged by various scholars; further, the regional rankings like *the Maclean* from the UK and *USNWR (U.S News and World Report)* from the U.S are also quite “popular” in their own country. The *SJTU* ranking system is focalized on academic performances such as scientific research while other parameters are put into account as well. For example, “30% of the index is determined by the location of the winners of Nobel Prizes and Fields Medals in mathematics, during their training (10%) and in their current employment (20%).” (Marginson and Marijk 311). However, *The Times* is concentrated on “the proportion of students who are international (5%) and the proportion of staff who are international (5%)” (Marginson and Marijk 312). Given this, universities like UCLA, Concordia University Chicago and City University of Seattle are institutions that will be discussed for the analysis of their higher educational policies influenced by ranking systems to see the commercialization of institutions. When it comes to this issue, inevitably,

the capitalism plays a pivotal role in between so that we can see how those institutions are engaged in money-making enterprise in lieu of remaining the quality of higher education. It does not mean higher education is negligible for them, but they are not able to balance the funding-earning task and higher education's maintenance with harmonious modulation. This essay will analyze such phenomenon by virtue of ranking systems' monumental impact on higher education, which all the institutions are trying to transmute the policies. This can be regarded as the commercialization of institutions since the transformation of higher educational policies is an act of meeting the criteria of each ranking system for the sake of optimizing their institutional positions and gaining the prestige in a certain degree. All of these are saliently for monetary earning no matter from stakeholders or students, who need to pay the tuition. Thereof, the paper will firstly talk about the rationale of doing this research and will move on to commercialization of institutions, which can be overtly seen by means of the comparison of each ranking system and its impact on higher educational policies to substantiate my hypothesis.

The rationale of doing this research paper is to point out the issue of commercialization of institutions, and to put all the factors into consideration when students are making decisions for their institutions in which they want to study. All the institutions around the world are systematically stratified that some of the universities or colleges are following either international ranking systems or regional ranking systems based on their institutional conditions that meet the rudimentary requirements of systems. Hence, we cannot justifiably arrogate that all the international institutions are better than regional institutions. According to a scholar Philip G. Altbach, "a few highly ranked institutions specialize to a certain degree" (3) that they are known for particular disciplinary specialty, which is better than other institutions. For instance, institutions like UCLA, Concordia University Chicago, and City University of Seattle are specializing in disparate domains. UCLA's specialty is social science; Concordia University Chicago is liberal arts; and City University of Seattle is Education.

With these three models as examples, part of the reason of doing this research is to break the ideological stereotype or myth towards those highly ranked institutions. The ranking systems are simply for consultation of institutional information, but not infallible resources for the examination of disciplinary quality. With the view to enhance the positions on each ranking system, some top institutions in America put more emphasis on building up their positions on each ranking system in lieu of improving the quality of academic disciplines per se. Their goals have been changed into the aim for the gain of institutional prestige, which can be attributed to capitalism. Capitalism refers to money-earning that the essence of academic cultivation might be blotched since funding would be their foremost consideration for the development of their institution, and the disciplinary learning would be negligible for them. The reason why “they sell the [intellectual] work of [institutions] for profit” is that the funding is indispensable for them. They need the funding to “expand the size and reputation of the institution” (qtd in Veblen). What’s more, some of them would “sell the right and use their scientific discoveries to industry and find corporation willing to pay a tidy sum to sponsor [their] courses” (Bok 2). Either higher education or the school in general is apparently commercialized as part of institutional marketing strategy. “Commercialization has plainly taken root....in higher education” and “several scholars have attributed the recent growth of money-making activity to a lack of purpose in the university [that is] a vague commitment to ‘excellence’” (Bok 5). All these descriptions to the recent phenomena of institutional operation demonstrate that those so called “prestigious” or “world class” institutions are not precisely the same as what we think of them should be such as high learning teaching quality or brilliant research activities, which some of the institutions might claim the funding is mainly used for this ad hoc purpose. What we see on the surface is not really on a par with what it actually is. This is what the paper is trying to argue about.

The commercialization of institutions can be seen from juxtaposition between the international rankings and regional rankings along with their monumental impact on

institutions. Firstly, the *SJTU* has their own ranking system called *Academic Ranking of World University (ARWU)*, of which “many well-known institutions, organizations, government agencies, and media outlets have reported on or cited the results.” (Liu & Cai 127). This ranking system puts more emphasis on the academic performances of institutions such as “the alumni...who have won...Nobel Prizes in the sciences and economics and Fields Medals in mathematics (30%) [also] leading journals (20%); articles in *Science* and *Nature* (20%) and so forth...The major part of the *SJTU* index is determined by publication and citation in the sciences, social sciences and humanities” (Marginson 3). *SJTU* ranking system accentuates the imperativeness of scientific research, the publication of journals and the quantity of prize-winning with various evaluative proportions. However, these evaluative parameters somehow may give rise to the tribulation towards fairness of assessment. Due to the fact that this ranking system is more science-oriented ranking that might be unfair to the institutions which do not put this parameter into consideration. The other ranking system is the regional one called *USNWR*, which is accounted the most popular and credible ranking system in the U.S. *USNWR* unlike *SJTU* which accents a great deal of scientific research with comprehensive subject matters, it emphasizes the importance of academic quality such as “institutional reputation, student retention, faculty resources, student selectivity, financial resources, graduation rate performance, and alumni-giving rate....according to their academic quality” (Clarke 37). The *USNWR* literally puts a wide gamut of evaluative parameters into account for the evaluation of institutions, which are trying to optimize their institutional positions or reputation on the ranking system. Thus, from the comparison between the international and regional one, the international ranking slants to focalize on certain overt specialty while regional tends to include a myriad of parameters with meticulous sense of details. There are invariably the pros and cons in each ranking system. On the other hand, the impact of these two ranking systems is conspicuously seen in some institutions including UCLA, Concordia University Chicago, and City University of Seattle respectively. According

to a scholar Philip G. Altbach who contends that “[some of the institutions are] putting too much stress on attaining world-class status,” and this concoction “may harm an individual university or an academic system. It may divert energy and resources from more important—and perhaps more realistic—goals” (4). The parlance “world class” in this case, refers to all the prestigious universities around the world. Hence, the optimization of schools’ positions is necessarily required for them since it represents the positive image or reputation, and is accounted the epitome of commercialization. Some “universities are impelled to succeed within the terms of the measures and will adopt institutional policies and strategies that optimize their position, especially their position” (Mariginson 2). The purpose of gaining the reputation of institutions is to attract more students to come and earn more money. The transformation of institutions is not about education per se but numerous endowments from other people. Given this, it pertinently explicates the imperativeness of ranking systems for those institutions, and it is obviously strayed away from the initial goal of making a better learning milieu for students in that funding has become their main consideration. This is why the American sociologist David Riesman “[had] observed in the 1950s that U.S. universities were failing to achieve diverse academic goals because almost all were trying to become like Harvard, Berkeley, and a few other key research-oriented institutions. The same criticism can be made now, as universities around the world seem to be orienting themselves to this single academic ideal” (4). First of all, UCLA usually follows the international rankings like *SJTU*, which determines its positions annually. According to the survey from a online journal of UCLA, it purports that “UCLA ranked 12th worldwide in Shanghai Jiao Tong University....[and] seven UCLA alumni and six faculty members have been awarded the Nobel Prize, and the campus has had 10 National Medal of Science winners” (7). UCLA meets most of requirements, inter alia, Nobel Prize and Medal of Science, which are two major parameters in *SJTU* ranking so that it can be ranked on the top 20 university around the world. On the other hand, both Concordia University Chicago and City University of Seattle

do not have either Nobel Prize or Medal of Science winners in that they are not de facto research-oriented universities. Hence, in lieu of following the international ranking like *SJTU*, the other alternative is the regional ranking *USNWR*. This ranking system, like the aforementioned statements, concentrates on the American universities with diverse evaluative niceties included. According to the first-hand information I got from Jimmy Wu, who is the school representative of Concordia University Chicago. He said the position of the school was 85<sup>th</sup> in 2014 *USNWR* and was ranked 75<sup>th</sup> in 2015 because they started to know the importance of students-selectivity. This means that “rankings that include student-selectivity indicators can contribute to this stratification by creating an additional incentive for schools to recruit the ‘ablest’ students” (Clarke 39). It falls into place that this institution is progressively transmuting its student-selectivity element so as to meet the criterion of *USNWR*. As for City University of Seattle, this institution was “ranked number 92<sup>nd</sup> last year, but is not ranked on the league table of *USNWR* this year” (4) according to an online journal from OECD. Each year, the emphasis of ranking system in terms of their parameters can be different among all the variables. In this case, *USNWR* accents the student-selectivity last year as their main evaluative parameter, which City University of Seattle does not meet this condition that makes it utterly unranked. Based on this phenomenon, the commercialization of institutions can be the apposite explication that all the institutions want to follow either international or regional ranking systems for the sake of gaining reputation and earning money. The capitalism is the main component, which determines the development of institutional reform. That is the reason why a scholar would say “since 1975, [institutions] have been much more aggressive than they previously were in trying to make money” (Bok).

In addition to the impact on institutions, the ranking systems determine the transformation of higher educational policies of institutions in America as well. Higher educational policies nowadays have been scrutinized in terms of its quality in an international level. The influence of globalization is omnipresent from country to country that “it is no

longer possible for nations or for individual higher education institutions to completely seal themselves off from global effects” (Marginson and Marijk 3). Therefore, some American universities like UCLA, Concordia University Chicago, and City University of Seattle also cannot get away with such an influential global mainstream. First, in the case of UCLA, notwithstanding that its great academic performances render it one of the finest university around the world, this institution has been through a series of substantial transmutations in higher education. According to a research concerning UCLA’s institutional transformation, it manifests that the confluence of all the transformations, including “a shared perception among academic administrator and faculty that was in need of general reform, the local climate conducive to the reform of general education, and a willingness on the part of academic leadership at UCLA to address the issue of general education reform” (Kendrick, et al 26-27). From this statement, we can see that UCLA was subject to both extrinsic and intrinsic rationale like “local climate” or “willingness” that propelled its educational transformation, and somehow the external factor would include the seminal impact of ranking system. The reason of having such an assumption is that the description mentions the “willingness on the part of academic leadership,” which means that UCLA wants to be the “guru” in the academic field so as to live up to the criteria of the research-oriented international ranking system like *SJTU*. Even until now, UCLA is still known for its incomparable academic performance with a pantheon of research papers about scientific or psychological studies. Aside from the case of UCLA, Concordia University Chicago is yet another quintessential paradigm. This institution is specializing in Liberal Arts and Education (TESOL) that their higher educational transformation will mainly focus on these two. According to the information I got from the school representative of Concordia University Chicago, Wu said that their institution mainly follows the regional ranking. Nevertheless, programs like Liberal Arts and Education are being transmuted every year in terms of their pedagogical methodologies, curricular arrangements or materials. Their transformation not merely



because of the impact of rankings, but also on the basis of pupils' personal needs, which they think is the most important section. Thus, this institution tries to build up their higher educational schemes by virtue of the transformation in both teaching and learning quality, but “zooming in on” some specific programs. The last but not least, the City University of Seattle's higher educational system is also an instance of being influenced by rankings. According to the dissection of their higher education from OECD, the information demonstrates that “since 1973, this private not-for-profit institution of higher education embarked in its mission to offer high quality and relevant lifelong education to anyone with the desire to learn” (3). What's more, “from delivering both in class and online learning to offering ‘globally connected’ experiences to promoting diversity in the classroom...CityU has always tried to be a model institution in the ranking system” (3). These two statements manifest that CityU tries to convert its programs from physical system into digitalization, which can expand a well-rounded sense of curricular spectrum in a global level for the sake of proffering a high quality education. Rankings in a way, turns out to be the clincher of this institution to synergize all the probable approaches for the globalization of each program through digitalization. This is typically the transmutation of their higher educational schemes as a whole since they are pining for being “a model institution.” Based on three aforesaid institutions, most of their higher educational variations are steadfastly determined by ranking systems in the face of their programs. This is obviously the phenomenon of commercialization of institutions since higher education has become one of their “marketing strategies” to attract more students. Students would be “hallucinated” by the multiplicity of learning programs without considering the quality. Those institutions are craving for being the leader so that anything could be their asset to achieve their ultimate goal. Given this, it is really hard to confirm the quality of the programs because all they want to do is to get more students and in fact to earn more money. This is overlapping the issue of the optimization of institutional positions, which can also be ascribed to the transformation of higher education

that is one of their properties. This is why a scholar Thorstein Veblen would contend that “the recent surge in money making activity on campus stems from....selling their services as teachers to corporations, or allow private companies to market their lecture through the Internet, tape or videocassette” (Bok 4). Even though the ranking systems in a way can spur the higher educational quality in a better degree, and develop a fully-fledged musculature of higher educational system, the commercialization of institutions could be the latent problem that affects the quality of higher education.

Ranking systems are some of the academic indications for international students to consult. Different ranking systems regardless of international or regional ones have their own modus operandi for the assessment of each institution with a myriad of evaluative parameters. For instance, *SJTU* mainly concentrates on Noble Prize and Field Medals while *USNWR* puts more emphasis on student-selectivity or student quality. The impact of each ranking system is impeccably influential no matter on each institution or higher educational policies. Most of the American institutions are diligently and tactically building up their higher educational policies with useful contrivances to show that their higher educational systems are immaculately substantial in order to consolidate their top positions on each league table. Moreover, it can improve the reputation or competitiveness of institutions as well so that they are able to attract more international pupils to select their institution for the advanced studies. This is the reason why higher education is gradually appraised in an international level, and the “increasing globalisation of higher education has been credited or blamed....for the myriad changes and challenges facing higher education” (Hazelkorn 88). Nonetheless, higher educational policies somehow have become the marketing strategy for institutional dissemination with the purpose of earning more money. This can truly undermine the quality of higher education or even the school in general. Each institution is engaged in finessing any stratagem to pass through the crucible of global changes or “ranking phenomena” with extensive malleability in order to get the funding, relatively, the learning programs can be

ignored. Therefore, students are supposed to be rational and wise to choose which institution is best for their disciplinary study instead of taking the reputation of institutions as their vital indication. They ought to be levelheaded and choose what is optimal for their future learning but not simply counting on the reputability of institutions. As for ranking systems, it is never accessible to know the methodologies or the evaluation of each institution, so the authenticity, transparency and accuracy would still remain suspected. The thing that really matters is the personal necessity for studying and what can be conducive to the future learning.

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