

## **WORKING DRAFT**

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### **A View of the Market through Studies of Policy and Governance**

#### **Introduction**

The momentum for writing about the market, what it is, and how it affects the enterprise of higher education has gained currency in the last several years. This attention to market has created a double-edged sword: more scholars are studying market but our conceptual understanding of it is more diffuse than ever. Pusser and Doane (2001) concede that the term market is ubiquitous and applied to various aspects of higher education with little hesitation. They discuss issues of competition, efficiency, and productivity, and whether traditional market models enhance our understanding of postsecondary degree production and training. Newman and Couturier (2001) write about the diversity of suppliers, competition between suppliers, and forces such as technology that all fall under the auspices of the market. In an insightful conclusion, the authors do not leave us to believe that the market is some mystical force independent of policymaker influence, as they assert that state choices will influence institutional diversity, services, and perhaps the incentive for providers to utilize forces such as technology to conduct their business. Zemsky, Shaman, and Shapiro (2001) conceived of a market taxonomy for higher education, segmenting providers into five categories. These researchers also conducted quantitative analyses to deepen our understanding of such variables as demand, price, outcomes, and market segments--things we typically associate with market.

Higher education writers have used traditional concepts from economics and business as a springboard to understand what the market means in higher education and the forces that are shaping the very business of higher education. Notions of producer domination versus consumer sovereignty and the degree of consumer information lead to discussions of perfect competition, monopoly or monopsony, and cannabilistic competition--all concepts grounded in the economic literature (Gould and Kolb, 1964). A cornerstone discussion of forces of the market, segmentation and differentiation, or new and emerging competitors can be found in the business literature (Porter, 1990). Brandenburger and Nalebuff (1996) emphasized and defined the players--from organization, competitors, suppliers and complementors--to highlight the composition of the market from an individual organization's perspective.

### **Purpose and Method**

The purpose of this research was to develop a conceptual definition of the higher education market. We took a two-pronged approach to developing a new conceptualization of higher education market. First, we consulted existing literature within higher education governance and policy to formulate insights about the market. Current commentaries on higher education markets are informed by definitions of market that originated outside of higher education, which are then fashioned to produce insights or definitions about higher education markets. Thus, we were interested in defining higher education markets from the inside out rather than the outside in. Our goal was to be mindful of contributing cross-disciplinary literature that contributes to our understanding of what is meant by market but to use higher education literature as the foundation for our conception.

The second prong of our conceptual development drew on the insights from a recent study we conducted linking policy with higher education performance. This research, conducted with support from the Ford Foundation, developed a grounded model linking policy to higher education performance using case studies. We conducted in-depth case studies of two U.S. states (New Mexico and New Jersey) and federal higher education policy. Inherent in this study are themes informative to the discussion of what market means and how it should be conceptualized. A consistent issue that arose during our study was whether governments relied on market strategies to improve performance, but it became apparent that first defining what we meant by “market” and “market strategies” was a point needing additional clarification.

Our strategy was to integrate insights from this policy and performance study into our conceptualization of higher education market. We are not, therefore, producing a grounded conceptualization of higher education market. Rather, we are drawing on a current study--in which we were the chief researchers--that very directly speaks to issues that appear to offer insight into the definition of market. The information from the case studies and the already developed grounded model produced from this study can offer insights that confirm or challenge our findings from the literature. Results from the policy and performance study may simply raise issues that must be considered when working toward a definition of higher education market. Importantly, these issues come from a study that has higher education at the forefront of its investigation.

In sum, our work aims to produce a new, theoretical conceptualization of the higher education market. It draws on existing insights from governance, policy and market in the higher education literature and also is informed by the results of a recent

higher education study linking policy to higher education performance. We do not suggest that our conceptualization of market is without challenge, but our two-pronged approach does maximize the probability of a fashioning a comprehensive conceptualization of higher education market.

## **Viewing the Market**

### **Historical Connections Between Higher Education and the Market**

The notion of market has evolved in foundational studies of higher education governance. The traditional discussion of governance was concerned with the tension between higher education and state authority (Berdahl, 1970). The inclusion of market and its relationship to higher education speaks to the tension between consumer and supplier and is the basis for the human capital literature and rate of return analysis (Johnstone, 1992; Psacharopoulos, 1992). Clark (1993) integrated these views and formulated a triangle by also discussing the tension between state authority and the market. Williams (1995), building on Clark's description, argued that the state's role could change depending on the competing claims and strength of state, market, and academic interests. Williams categorized the roles states play in shaping the influence of the market and the professional values as 1) promoter, 2) referee, or 3) consumer advocate. These roles change as state, market and academic interests compete against each other.

Bracco, Richardson, Callan, and Finney (1999) expanded on William's insight and defined four possible state policy roles that could shape the relationship between higher education and the market: 1) provider, 2) regulator 3) consumer advocate, and 4) steerer. In state policy environments where the market is dominant, price is a function of demand.

In the regulatory environment the state controls price. States can use a combination of market forces and governance or policy authority to affect higher education performance.

Interestingly, a common thread that runs through all of these studies is the salient role of market. And though all of these studies cite the concept of market, market itself is never really defined. At best, one can surmise from these studies that market exists in the business of higher education, it is important, and it is related to or encompasses the state, higher education, and consumers of higher education.

Armajani (1994) took the consumer perspective a bit further. Armajani's research places direct emphasis on the student and those directly served by institutions. Higher education governance systems should be designed to be responsive to the public's demands for more effective teaching and other services in the wake of reduced resources. Armajani developed a model that places emphasis on customer influence, accountability driven by those served, and high quality. This model of governance is unconventional not only because of its emphasis on customer satisfaction, but also because it would replace state appropriations with "service contracts" in an effort to achieve more efficient operations and delivery of instruction—in essence, it would more effectively meet the needs of the market.

Research that speaks about the student often does so in the context of cost and affordability. Winston (2001), for example, speaks of the higher education market, with an emphasis on competition and prices. A defining feature of Heller's work (Heller, 2001; Heller, 1999) is the effect of tuition and aid on student enrollments. The National Center for Public Policy and Higher Education (NCPPE, 2002) recently released a report on higher education affordability in the U.S. The report focused on tuition and

financial aid to formulate conclusions about access and the impact of prices on various students and populations.

International researchers also address the market of higher education. Some international researchers have applied frameworks and ideas of market to different countries in an effort to offer commentary on the changing nature of higher education in those countries. Most have done so in an effort to analyze the changing role of national governments as they pertain to funding and controlling higher education. Ball (1990), for example, derived five major elements of the market place from his study of educational reforms in the UK and elsewhere: choice, competition, diversity, funding and organization. Ka Ho Mok (2000) applied this framework to the changing higher education landscape in China to draw insights about the extent of “marketization” in the country. Currie and Vidovich (2000) speak of market principles in Australian universities, such as competition, deregulation, and changing forms of accountability. Indeed, international higher education scholars as well as those who focus their research in the United States seem to address themes that gauge the strength of the “market” in the higher education industry. This strength of the market seems to be a function of a) the level of higher education funding provided by the state; b) the percentage of educational costs the student bears, and; c) the role and extent the private sector plays in providing higher education services.

Several higher education authors write of the forces of the market or forces that influence the business of higher education. Mingle (2000) states that state policy will need to take into consideration powerful trends of demographics, the global economy, and information technology, all of which will influence higher education policy in the

future. Ruppert (1995) suggests that other forces will impact higher education policy, including a continued decline in available resources, an increasing perception of value in higher education to society, ever increasing expectations from society, and increasing skepticism by the public of organizations and agencies it funds. Richardson, Bracco, Callan, and Finney (1998) suggest that market forces include both economic factors, such as pricing and competition, and non-economic factors, such as demographics and political pressure. From these studies it is clear that market either includes or is influenced by external forces that may not be immediately controlled by the state or higher education.

It is safe to conclude that much of the existing higher education literature is concerned with the market. Several authors accommodate the notion of market by talking about influences, or forces, that have historically been affiliated with the market. Some forces arise as competitors seek advantageous position, thus market forces surface because of the interaction and interplay between suppliers. Other forces, such as technological innovation, demographics, and economic swings, are external to higher education but influence it.

Some researchers have attempted to illuminate the notion of market by contrasting it with the state and higher education institutions. In these cases, market is somewhat of a discrete entity that surfaces as states pursue specific policies or behaviors that cannot be classified as either regulatory or laissez faire. In essence, the state maintains an interest in public higher education policy without following victim to the historical dichotomy between regulation and autonomy.

Finally, other scholars who have attempted to define the components of the market have mainly done so in an effort to understand international higher education systems that are currently undergoing changes. Many of the frameworks used by these scholars have been influenced by researchers who have commented on primary and secondary issues related to school privatization. Thus, the imposition of these frameworks into higher education venues is useful but limited.

### **Studying Policy and Performance to Understand Market**

An accompanying input into our conceptual development of defining higher education market was to draw on the results of our national higher education research study that linked policy with higher education performance. The goal was to use the results of this research to inform our views of market: its definition, its composition, or issues related to it. The Alliance for International Higher Education and Policy Studies (AIHEPS) is a Ford funded initiative that is most fundamentally about understanding the linkage between policy and higher education performance. The research that we report here focused on the U.S. component of a three-year study to specifically investigate the linkage between federal and state public policy and state higher education performance.

The purpose of our study was to develop a conceptually grounded model linking federal and state public policy to state higher education performance. We were interested in how either past or current policy directives had changed or shaped higher education outcomes in U.S. states. Of central importance and concern in our study was to describe the types of responses from state higher education systems to policy initiatives. Thus, the goal of the grounded model was to not only describe policy and performance, but the

process/variables that connect the two. It is within the process that we consistently found issues informative to a discussion on market emerging and requiring additional attention.

We conducted in-depth case studies of two U.S. states and one case study of federal higher education policy to create an empirical starting point for our research. Our two U.S. study states, New Jersey and New Mexico, both had state-level coordinating boards, but the higher education policy roles each state has played over the last several decades is vastly different. While there were similarities in governance structures, the conditions under which higher education operates is very different in each state.

We gathered empirical case data before visiting each state to gain sufficient knowledge of state and higher education context. We also relied on policy leaders and higher education administrators to explain the process through which selected colleges and universities respond to state or federal policy directions aimed at changing outcomes or practices. The development of the federal case study followed the same process, but the targets of our interviews were federal level higher education policy makers.

While our study was in progress, the National Center for Public Policy and Higher Education (2000) published *Measuring Up 2000: The Report Card For Higher Education*. This report gave each U.S. state A–F grades in five categories: preparation, participation, affordability, completion, and benefits. We chose to use these five categories with slight modifications as the performance indicators in our study. Our intention was not to critique the legitimacy of the graded categories or the methodology by which the grades were calculated. We were interested in using the grades as a tool to help us understand linkages between policy and performance.

The emerging themes from our interviews, within the context of our literature base, dictated the organization of the case studies, which in turn gave shape to our model.

The major components of our grounded model were:

- *Policy environments* reflect a political culture and traditions that jointly determine whether elected officials believe they can and should influence higher education performance. Policy environments also establish the relative authority of the executive and legislative branches of state government and the constitutional or statutory status of institutions. Policy environments are set in specific social, geographic, economic and demographic contexts. For higher education (as for other government services), the policy environment reflects the particular combination of control (state regulation) and self-regulation (institutional autonomy) a state uses in governing its higher education system.<sup>i</sup> Some aspects of policy environments are fixed in the short term (population demographics, history, geography) while the costs to modify others are very high (constitutions). Consequently, changes to policy environments are rarely considered as a strategy for influencing higher education performance.
- *Rules of the game* are the principal means governments use to influence processes and outcomes in higher education. The rules of the game also reflect the particular combination of state regulation and institutional autonomy a state uses to eventually influence system behavior. We have classified rules under two categories:
  - *System Design* includes the number and type of service providers; the missions assigned to each; the characteristics and powers of agencies in

the interface between government and providers; the information systems that collect, organize and report data essential to understand and influence performance; available technology and its uses, and the role assigned to the private sector;

- *Fiscal Policy* includes operating support, capital funding, incentive funding, student assistance, and tax policy.
- *System behaviors* are the resulting responses by higher education professionals to the prevailing rules of the game. The rules of the game may afford higher education professionals great freedom whereby the pursuit of institutional goals is relatively uninhibited. Conversely, the rules of the game may direct or encourage systems to pay greater attention to public policy. Priorities, leadership, communication, accountability and collaboration all reflect the effect of rules of the game on the behaviors of participants within a higher education system
- *Performance* reflects the aggregated outcomes of the individual colleges and universities that form a state system. Performance is estimated by the grades awarded in *Measuring Up 2000* for preparation, affordability, participation, completion, and benefits.<sup>ii</sup>

The rules of the game in our study intersect quite well with much of the literature that speaks of higher education markets. For example, the system design of a state system of higher education in part speaks to the missions of institutions, and the extent of differentiation in missions among institutions. Ka Ho Mok's (2000) explanation of higher education marketization in Mainland China largely revolves around the focus and differentiation of the private and public institutions in the country. In highly autonomous

state systems of higher education in the U.S., policymakers have demonstrated a concern with duplication because of overlapping mission (Ruppert, 1997). Interestingly, the issue of mission differentiation is analogous to Porter's (1980) seminal concept of differentiation, which is one strategy for organizational survival in any given industry.

System design also speaks to how higher education is organized, from a state perspective, and the relationship the state maintains with institutions. These issues form the basis of much previous work on governance, policy, and higher education markets (Glenny, 1957; Berdahl, 1971; Marcus, 1999; Richardson, Bracco, Finney, and Callan, 1999). There are other important components within system design, such as communication and information, that also are important to considerations of market.

Fiscal policy, in our model, largely deals with direct state appropriations and student aid. The level of funding, to either students or institutions, is another issue commonly found in higher education literature debating the impact state funding has on issues of choice, price, and access to higher education (Heller, 2001; Roherty, 1997). In addition, a growing number of states have over the last several years experimented with performance funding (Burke, 2000) as a way to increase accountability or encourage attention to policy priorities. As states formulate allocation strategies, they largely do so in an effort to prompt attention to public policy priorities. It is not clear in our minds, however, that state and market concerns are dichotomous. Surely, state concern over quality, completion, and participation are also values of the market—or any higher education stakeholder for that matter. Thus, our definition and findings relative to fiscal policy are also germane to discussions of market.

In total, the rules of the game and the policy environment influence system behavior. System behavior, in turn, influences performance. Properly structured, the rules of the game can produce system behavior that is sensitive to public policy priorities. The rules of the game can also encourage systems to pursue goals relatively uninhibited by the state. It might be argued that in either case, traditional parameters of the market may be met. Institutions on their own, one might argue, pursue their own goals but also meet broader societal goals—or fulfill market needs. Higher education representatives would be the most likely to make this case, as was evident in a finance study of the state of Michigan (Martinez, 1997).

On the other hand, a well-managed higher education system is sensitive to public priorities that balance state, market, and institutional interests—as defined by Clark (1993). This balance was demonstrated by our own case study of New Jersey and captured in a general proposition forwarded from our study: The rules of the game in high performing states balance state regulation and professional autonomy to produce system behaviors that mandate attention to public policy priorities as well as institutional goals.

A more specific proposition regarding a state's ability to manage a higher education system that addresses and balances the various needs of the market concerns fiscal policy. The combination of high self-regulation and high operating support allocated largely on the basis of the numbers of student who enroll in specified programs, as in New Mexico, for example, provides few incentives for institutions to address public policy priorities other than access. High performing states, however, use fiscal strategies that encourage their higher education systems to focus on defined public policy priorities.

We also found that a state coordinating board's ability to manage information is key to meeting multiple needs. Information, and how a coordinating board manages it, is an important component of market. Excessive state regulation impacts adversely on institutional initiative and encourages leaders to focus on responding to bureaucratic mandates rather than public policy imperatives. Excessive self-regulation encourages institutions to define the public interest in terms of the priorities of the professionals they employ. All higher education systems seek an appropriate balance between these two extremes. The capacity to modify the role of interface agencies without rendering them ineffective seems central to the capacity of both states to pursue improved performance. Both New Mexico and New Jersey have interface agencies with sufficient authority to fine-tune rules of the game without major changes in system design or fiscal strategies. The difference in the two entities may be that the New Jersey commission is able to maintain communication lines with legislative and gubernatorial representatives, whereas legislative and gubernatorial interest in higher education in New Mexico is not as strong. Given gubernatorial and legislative support, as in New Jersey, a relatively weak interface agency can define public priorities and provide a significant measure of system guidance and support for institutionally initiated reforms.

Our study was about linking policy to performance, but the prominence of ideas central to past and current understandings of market concepts was prevalent in all phases of our study. We have highlighted a few of the critical issues related to market informative to our new conceptualization to follow. However, our study, along with past higher education literature, disaggregates the various subjects involved in the business of higher education. This is useful for analytical purposes, but this implies that state and

institutional goals are different. It is possible that some state and institutional goals intersect and meet the needs of the various higher education stakeholders. It is also possible that balancing state and institutional goals is in fact central to defining market. Both possibilities are informative when working toward a conceptualization of market.

### **Toward a New View of the Higher Education Market**

Our endeavor, based on the higher education literature and our grounded model from the policy and performance study, was to conceptualize market. We do reference literature outside of higher education to help inform our view of market, but we have given special consideration to those authors who speak directly about higher education. Results from the policy and performance study explained in this article are also integrated into our view of market.

Several interesting concepts surfaced as the result of our investigation. First, it seems clear to us that there is a higher education market in every state. The question is not whether there is a market but what is the relationship between the subjects who comprise the market. In this sense, market is not some standalone entity separate from the state or higher education itself. Some authors dealing with the higher education market separate market from higher education or the state (Clark, 1993; Williams, 1995); others separate the state from higher education (Glenny, 1959; Berdahl, 1971). All of this work broadens the view of market and all that it encompasses, but it creates artificial boundaries between the state, higher education, and consumers. System design in the grounded model speaks mainly to the state and the organization of the higher education system and expands on much of the conceptual ground offered by these authors.

More recent writings prominently include the role of consumer/student in the market (Winston, 1999; Newman & Courturier, 2001; Zemsky, 2001). The consumer must be integrated into any conceptualization of the higher education market. Most directly, by consumer we mean the student, though any one subject may be a consumer to the other subject; or, students may be represented by parents, groups, and organizations. In our conceptualization, we will use the general term consumer, knowing that the definition may be inclusive of many different stakeholders.

It was evident in both the New Jersey and New Mexico case studies that many of the initiatives states or institutions undertake are expressly to serve the consumers. Tuition prices in New Mexico, for example, are affordable. Every top higher education administrator we talked to stated a belief in low tuition to serve the students and provide access, largely because this is what citizens expect. Many in the state would argue that the belief in access and low-priced tuition is driven by the history of consumer expectations more than state or institutional goals.

We also learned that the means, or, perhaps more accurately, the tools that states use to communicate with higher education and consumers are important in the market. In New Jersey, information on financial aid is sophisticated and serves policy makers, students and parents, and even higher education institutions. Students are the recipients of this aid and the reason it exists; they also have discretion about where to spend the aid. The concepts of fiscal policy and information, therefore, are central to the definition of higher education market.

Our investigation, then, suggests that the abstract notion of market may best be captured by characterizing the relationship between and among those subjects that

comprise the state's higher education enterprise. In addition, each of these subjects has a variety of means by which they influence or communicate to one another. The subjects, and the means by which they communicate, are important considerations to any formulation of market.

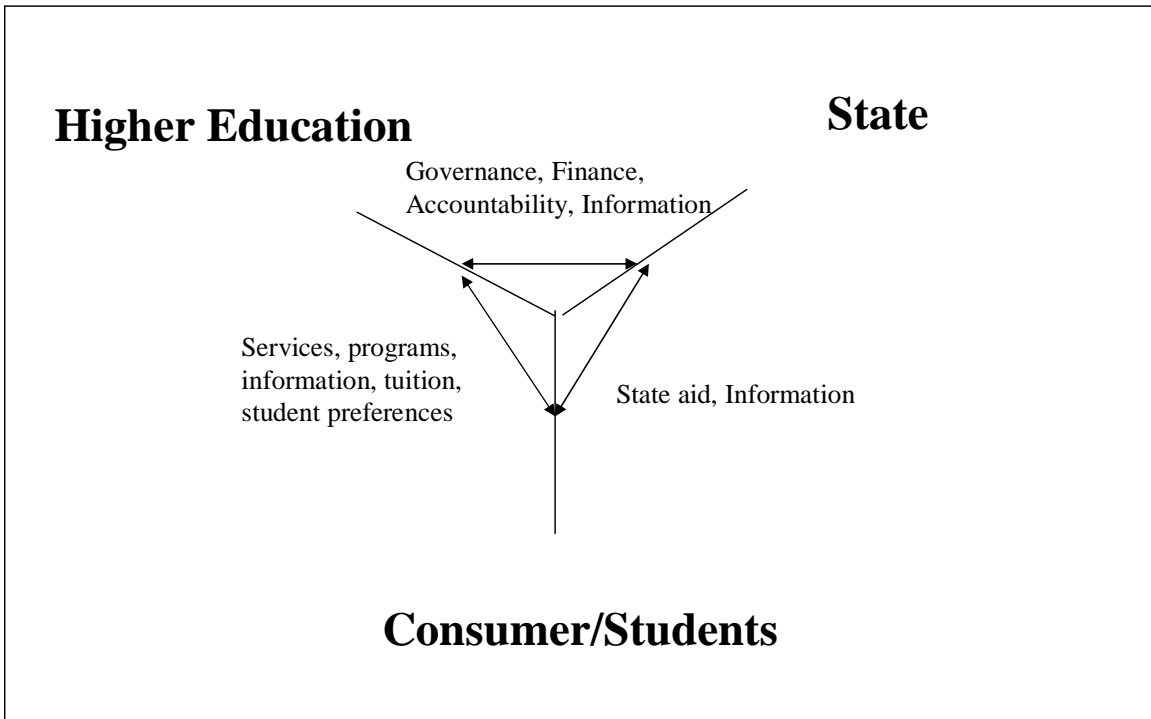
We do not explicitly include in our conceptualization the forces that impact the higher education market but are not controlled by the subjects. Demographics, state economics, and technological innovation all influence the market. These are forces that have been described by previous authors, but we will not incorporate such forces in our conceptualization since we are mainly concerned with the subjects and those things they control or directly influence. The means used to influence or control interactions between the subjects include the use of technology (as opposed to the creation of it), the types of funding mechanisms that states use, the designs states create to organize their higher education systems, and information and communication about preferences, priorities, needs, and wants between two or more subjects.

Figure 1 displays our conceptualization of the state higher education market. The intent of the figure is to define market. The figure builds on existing literature and our grounded model to define what we mean by market. Market is comprised of higher education, the state, and the consumers. Each interacts and influences the other in many ways. The primary means of influence between the players depicted in Figure 1 are those that were most apparent in our case studies and the literature. For example, the relationship between the State and Students, as it pertains to the higher education market, is largely defined by the amount of aid available to students and the information the state

makes available to students, or conversely the information students or the public communicate to policymakers.

**FIGURE 1**      **Defining the Market**

### **The Higher Education Market**



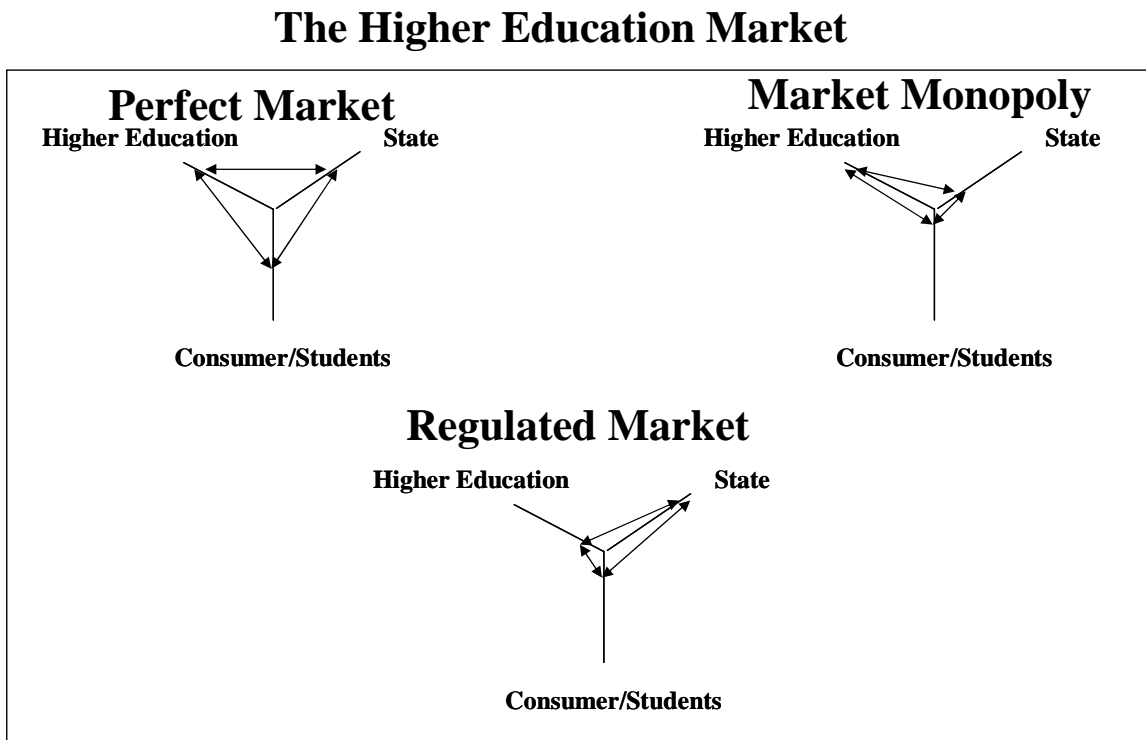
The New Mexico case study demonstrates the importance information plays. In New Mexico, many feel that policymakers understand and favor community colleges. One reason for this is because community college constituents effectively communicate with policymakers.

The arrows in Figure 1 are all equidistant and of similar length, indicating an ideal market situation. In this case, the influence of each subject on the other is balanced. Figure 2 shows various possibilities of how the market might be defined depending on the relationships between the three subjects and how the tools or influences are perceived and used. Therefore, we not only suggest that a market is present in every state, but what is important is to characterize that market based on the interactions between the subjects.

A perfect market is an ideal state where perfect information exists and there is a perfectly even balance of influence among the three subjects. Students can attend the institution of their preference because there are the right number of institutions (public and private) and there is a perfect balance between student aid, state appropriations, how the institutions set their prices and what students are willing and able to pay. Higher education is organized and financed in a way that maximizes public and private benefits, and, finally, the state receives information from all higher education consumers so that the equilibrium of influence among the three players is maintained.

Perfect competition and perfect markets do not actually exist, but Dolan (1980, p. 157) points out that this conceptualization of perfection is one of the great abstractions of economics and produces many valuable insights. Perhaps one of the best insights is an analysis of different scenarios when perfect conditions are relaxed. What if there is not a reasonable choice of institutions? What if significant information asymmetry (Gormley,

**Figure 2**      **Market Scenarios**



1999) exists between supplier and consumer or supplier and the state? Or what if tuition prices impede consumer choice? In such a case, the market would tend toward a market monopoly, as depicted on the right in Figure 2. Higher education would have a disproportionate amount of influence compared to consumers and the state. At the other end of the spectrum, if the state holds a disproportionate amount of influence compared to consumers and higher education, the market is best defined as a Regulated Market. In such a market, institutions may have trouble offering services in a timely manner or students may have trouble meeting tuition prices because there is no student aid.

The three scenarios in Figure 2 are meant to be useful abstractions. Every state higher education market falls somewhere between these three scenarios. In New Mexico, for example, private sector representatives would say that the higher education market in New Mexico is a monopoly because of the dominance of public institutions. At the same time, there are a number of public institutions representing different sectors of higher education, and proximity to those institutions is reasonable. The state, for a number of reasons, exerts little influence over higher education in New Mexico. Overall, in New Mexico, higher education holds the preponderance of influence compared to consumers and the state.

Informants from New Jersey would argue that higher education in the state was the most heavily regulated in the U.S. forty years ago. The case study indicates there has been movement from a regulated market to a perfect market. The state is by no means a perfect market, but state policymakers have initiated changes that have moved it away from regulation and certainly not toward monopoly. There is more and better information; there is a mix of private and public providers; institutions are more readily able to compete with one another; and the state doesn't regulate service offerings to the extent that it used to.

### **Conclusions**

Our depiction of the higher education market is meant to add clarity to a concept that has meant very different things to different people. We don't claim that our ideas are without challenge, but if they serve to stimulate thought that advances understanding of what market is or how it can be characterized, then we will have accomplished our purpose.

Higher education, the state, and consumers use various means by which to exert influence and shape the nature of the market. The context of higher education in the United States is that the majority of students attend public institutions, so the state clearly plays an important role. In some states, such as New Jersey, private institutions also receive substantial state monies. An informed look at a particular state can reveal the general direction and nature of the higher education market in the state. Based on this, it is possible to look at the subjects and the means by which interaction takes place and formulate informed opinions as to how a balanced market might be achieved.

In New Mexico, the current market favors institutions, and this has historically been the case. The move toward accountability is one way in which the state, whether

driven by design or constituent demand, may help the higher education market achieve more balance. New Mexico has over the last several years increased student aid as well. This has given students greater choice and opportunity, though some would argue that it reinforces the strong position of the research universities since they become more desirable to those who might have considered other sectors. The movement toward a more balanced higher education market will evolve slowly in New Mexico, though there is evidence of movement.

New Jersey's higher education market is somewhere between a regulated market and a perfect market: the state plays an active role that influences both institutions and students; there is a variety of institutions represented within the higher education industry; and there is a wealth of information on students and institutional performance. These market conditions have led to strong performance as indicated by the National Center for Public Policy and Higher Education's Measuring Up 2000 state-by-state report card grades for New Jersey (NCPPE, 2000).

Our conceptualization was informed by the higher education literature and our previous work on a grounded study linking policy to higher education performance. Higher education markets can be characterized based on the relationship between the subjects that comprise the market and the means by which they interact. We have implied that a balanced market—whereby neither state, higher education, or consumer have the preponderance of power—is the most desirable state. In reality, it may be that the shift of power swings, depending on circumstances and context. Every state has circumstances and context that must be considered in its higher education market, but the ideal of a perfect market is probably worth some consideration.

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