Unbundling the University and Making Higher Education Markets

Susan Robertson and Janja Komljenovic
Centre for Globalization, Education and Social Futures,
University of Bristol, UK

Forthcoming - In Verger, A., Lubienski, C., Steiner-Kamsi, G. (eds). (2016) *The Global Education Industry* (Vol. 2016). (World Yearbook in Education). London: Routledge.

Introduction

Markets do not simply appear as a result of policymaker dictat or policy fiat. And nor do markets – once made – exist in a space which sits outside, or beyond, a society and its complex of institutions and practices. Rather, markets are both made and remade, as new products and services, frontiers and spaces, are imagined, invented, implemented, inventoried, vetted and vetoed. Yet as Berndt and Boeckler (2012: 203) argue, despite the ubiquity of markets, '…the market is rarely treated as a process, to be taken seriously in its own right'…and that '…for all their force and spatial relevance…' many researchers working on markets have '…steered clear of attempts to achieve a better understanding of how markets are assembled and put to work' (Ibid). We agree with them. This, in the case of higher education, means examining the processes involved in unbundling existing institutionalised higher education practices which constitute the non-market university sector, *and* bringing into view '…societal transformations and the investment necessary to make markets work' (Ibid: 205).

It follows that in order to understand the making of higher education markets, we need to focus our attention on what we call 'moments' in the making of higher markets. These include those moments when (i) policymakers, politicians, investment advisors, education firms, and universities begin to imagine higher education as a 'new', 'emerging', or 'mature' market to be opened up and exploited; (ii) the governance frameworks which shape a sector (including the role universities play as market actors and profit-making centers), are challenged, repurposed, and transformed; and (iii) when the nuts and bolts of making diverse higher education products and services that are exchanged in a range of marketplaces – from identifying suppliers to developing a sustainable ‘customer’ base, creating niche opportunities, pricing of products and services, providing a means for accessing credit, developing a means for settling disputes over contracts, use of legal tools and advice, and so on – are bought together, and put to work. What we have called different moments might also be referred to as macro, meso, and micro processes involved in making higher education markets.

Our wider purpose in this chapter is to show the complexity of these processes so as to open up what has become something of a black box, at worst, and a flat canvas at best. Politically this is important in that if higher education markets require work, by opening up and revealing this activity, we not only see power and interests at play, but the basis on which these processes and outcomes might be challenged and changed.

Our chapter is developed in the following ways. We begin by locating our approach to studying higher education markets (Komljenovic and Robertson 2015; Robertson and Komljenovic 2015). We then introduce four cases that we work through using this approach – showing that market-making takes a great deal of *ongoing* political, economic and cultural work by a range of actors, institutions, technologies, instruments, and the strategic deployment of space, time, and sociality. We conclude by reflecting on the epistemic gains of this approach and what it reveals regarding the unbundling of the university and its remaking in terms of market processes and relations.

Studying Higher Education Markets – Approaches and Entry Points

We start with a reminder that in mainstream economic theory markets are understood to be governed by impersonal laws, where arms-length relations between disembodied economic agents prevail. Agents are in this sense reduced to those with calculative competencies who respond to price signals (Callon and Muniesa 2005; Peck and Theodore 2007). In line with this logic, the construction of a market is dependent on the disentangling and framing of agents and goods so that calculations can take place (Garcia 1986). Yet as sociologists remind us - most notably Polanyi (1944) and Granovetter (1972) - markets are not impersonal but are instead instituted and embedded in society; a point we will return to shortly.

In looking at the literature on markets in higher education the focus has tended to be on market ideology as represented in those policy discourses aimed at reforming higher education (Brown 2011a; Jessop, Fairclough, and Wodak 2008), or the extent to which these discourses reflect a perfect 'free market' (Brown 2011b; de Boer and Jongbloed 2012; Jongbloed 2003; Marginson 2013, 2014). While making an important contribution to policy analysis and ideology critique, this approach falls short on revealing *how* markets get made from non-market activity - the key question we are grappling with here.

More recent work on networks in the study of creating education service industries (Ball 2007, 2012; Hogan, Sellar, and Lingard 2015) do make visible the actors and their relations with each other. But what is missing for us are the micro-processes at work – such a framing goods and services in such a way that they are amenable to exchange, the design and maintenance of markets, pricing, and so on.

With our interest in *processes of market making*, we have found the work of Karl Polanyi (1944) useful as a starting point. Polanyi argued that markets have to be produced through social institutions, and legal and political strategies and processes – in what he called 'institutedness' (see Slater and Tonkiss 2001). But in order to make a link between broader social transformations that make market-making thinkable and possible (macro), to the actors and techniques that deliver the detail of the 'who' and 'how' (meso and micro) of market-making, we have also drawn on the work of Berndt and Boeckler (2009, 2012) and that of Callon and Çalışkan (2009, 2010). In this way we link together different macro, meso, and micro processes to make visible the complex moments in the work of market-making.

Berndt and Boeckler (2012: 205) also point out, market-making takes 'investment' – that is ongoing effort is expended in 'framing markets' through the development and deployment of policies, technologies, instruments, and other 'formatting devices'. For example, trade departments in various countries develop calculations of the value of higher education trade to the economy, and represent this in terms of gross domestic product (GDP). Similarly, in framing higher education as a services sector consistent with the trade in goods, the World Trade Organization has used the same kind of language found in the *General Agreement on Trade in Goods (GATT)* (Robertson, Bonal, and Dale 2002) – such as 'commercial presence', 'presence of natural persons' – to frame education in the *General Agreement on Trade in Services* as part of an education services market. Investment means exerting effort - such as enrolling those who might ease the way, side-stepping or confronting head on regulatory difficulties, advancing operations in spaces where the regulations are more lax, or being imaginative about new ideas, products and services and how to get these into the marketplace.

This takes us to the importance of micro-processes, or the micro-foundations of market-making. Çalışkan & Callon's (2009, 2010) work is a useful starting point in that they develop a conceptual grammar though which to undertake that task. They elaborate five processes at the micro level they call 'framings' of markets: (i) pacifying goods; (ii) marketizing agencies; (iii) market encounters; (iv) price-setting; and (v) market design and maintenance. In the different cases that we present in the second part of this chapter, we show these different elements at work.

Pacifying goods refers to those dynamics in which things (that range from material things, services, to human beings or human relations, and other intangibles) are disentangled, made passive and stable, and invested in. Disentanglement or unbundling of intangibles is a process of representing things and services as 'packages' that are describable and predictable. Passivity in this respect refers to stability, predictability, and having fixed qualities to which value and price can be attached. This is why investment in standardisation, stabilization, and domestication of such new things in the market context is crucial (Çalışkan and Callon 2010). This might mean framing a higher education institution as an object that can be bought or invested in; a student experience as a thing to be bought with clear distinctive elements that are part of the package; or information about the higher education sector as intelligence worth buying to guide strategic decision making. These processes are sometimes difficult to frame as objects for market exchange especially because of cultural and political notions of higher education as a non-market sector. Consequently the process of pacifying goods is in constant dynamic with perpetual managing entities.

Marketizing agencies set in train a complex of dynamics where many actors compete in defining what is a good or service, and valuing them. This process takes place in socio-technical *agencements* – that is arrangements of people, technology, tools, laws, calculation, and so on. A competitive university, for example, is likely to depend upon a range of socio-technical arrangements so as to create an efficient market actor. This might include the creation of new positions – such as the market analyst. It might also involve other processes: such as, increasing the number of staff in the marketing department; building new market intelligence computer software; creating techniques to determine strategic markets from which to recruit students; or engaging private companies to help with specific tasks (such as Internet marketing in Nigeria or alumni engagement in the Middle East) (see Drori's article in this volume).

Market encounters refer to the need for market agencies (such as students, academics, administrators, investors, regulators) and pacified 'goods' to meet one another. Such encounters are multiple, and part of overlapping calculations (Çalışkan and Callon 2010). In our cases there are a huge number of market encounters, some coincidental, but most created –higher education fairs, industry conferences, invitational seminars. Market encounters are also virtual, material, social, and technological arrangements, using the Internet, social media, or web pages. Market encounters are thus invested in, and thus cost money, labour, and time.

Çalışkan and Callon (2010) argue marketization theory is successful if it manages to present the above three processes, however it is incomplete without two more micro-foundations; the study of *price setting* and *market-design and maintenance*. In terms of price setting, Çalışkan and Callon (2010) argue this is where valuations and calculations emerge – as prices, but establishing a price is a struggle between different agencies. Our cases reveal a range of ways in which prices are created – such as using other prices (such as existing fees for public universities) to create prices (fees for the online student enrolment), or determining how much to 'sell' specific services for to the university. But it is not only the seller who determines price; we have shown that the university also decides on the prices it is willing to pay when acting as a buyer by comparing offers in the market (Komljenovic and Robertson 2015).

The last framing is *market design and maintenance* (Çalışkan and Callon 2010: 19). As implied, the design and maintenance dimensions help bring into being, as well reproduce, those elements that enable more efficient use of resources, the extraction of profits, the legitimation of the activity as a commodity, and ongoing stability. But how markets are conceived and shaped are diverse. Those involved in design and maintenance might create working groups and advisory committees to which they invite representatives from universities to reflect on new products and strategies. They might finance conferences, host marketing retreats, or award honors to particular individuals, so as to buy the support of well-placed individuals, and thus ensure market maintenance. An important part of design and maintenance is the creation of relations of trust, which in turn help to lubricate markets, but building trust requires investment.

Imagining and Making Higher Education Markets – Encountering Cases, Generating Insights

It is now time to introduce four cases drawn from a much larger piece of empirical work we are undertaking on making higher education markets funded by a European Commission grant[1]. Data includes interviews, documents (annual reports, websites, financial statements), newspaper reports, and other secondary data sources such as statistical databases. All four cases

[1] European Commission FP7 People program: Marie Curie Initial Training Network UNIKE (Universities in Knowledge Economies) under [Grant Agreement number 317452].

are framed inside wider macro-level social transformations (Jessop et al. 2008; Leys 2003; Marginson and Considine, 2000; Robertson 2010; Slaughter and Rhoades 2004).

Reformatting and lubricating international student recruitment flows and markets

INTO University Partnerships Ltd (INTO) is a private limited company based in the UK, founded by Andrew Colin (who is still the Chairman), and incorporated in 2005. Its initial focus was on recruiting international students into foundation programs that the joint venture between INTO and universities would deliver – and from there place the students into an undergraduate program. INTO builds on the macro-level transformations of higher education aimed at creating the (public) education sector into an industry, contributing to national economic development measured in terms of GDP. In this respect universities are diversifying their financial incomes by tapping into the 'international student market'. In doing so universities also become a marketizing agency.

INTO created first two joint ventures in 2006 with the University of East Anglia and the University of Exeter. By 2015 it had expanded to 22 joint ventures in the UK, USA and China. So far the financial success of INTO and its centers/ventures is huge and growing. Data show that in 2013, 7,000 students were enrolled in its joint ventures (INTO 2014). INTO, as a parent company with its shares in joint ventures (that is excluding financial data about the entirety of INTO and its joint ventures operations), had a turnover of £70 million in 2012 and £86.5 million in 2013 (INTO 2014). INTO reported its profit in terms of EBITDA (profit adjusted to add back depreciation, amortisation, and exceptional items) as £9 million in 2012 and £6 million in 2013 In 2013 INTO had an equity investment from Leeds Equity Partners (New York) by selling a 25 percent stake of its business for £66 million.

INTO centers and ventures continue to provide education for students to enter UK or US universities; that is undergraduate and graduate pathway courses, English language training, and diploma courses. The latter act as the first year of undergraduate education if successfully completed, and are consequently innovative alternate ways to enter the second year of studies at public British and US universities. These programs are interesting also in the sense that they act as an alternative route for students, and new revenue streams for the university. To students, INTO promises an excellent education, world class premises, study and pastoral support, and guaranteed progression to UK universities in case of successful completion of pathways or diploma programs. INTO manages to guarantee enrollment after completion by helping its graduates to get places in their initial center, other universities in partnerships, or universities that do not have partnerships but are looking for foreign students.

Here we see an interesting example of pacifying goods as a way of market framing (Çalışkan and Callon 2010); the service that the student from another country is paying for has very clear elements and promises. In addition, INTO puts a lot of work into marketing ‘evidence’, such as promoting student success rates, which are above 90 per cent for practically all INTO centers. In order to sell student experience at a specific joint venture, INTO has to play strategically – disentangle it just the right way from the attached university, but still keep the connection in order to create association to an established reputation of a pre-existing university. Moreover, it has to strike the acceptable way on how to present things it sells and package them so that it is not foreign to the higher education sector and other actors in it.

Discursively, INTO legitimates its activities in the following ways. It argues there is high demand for higher education by a growing body of students who cannot be accommodated in their home countries. Second, that internationalization of higher education is crucial for the quality of study, and for economic development of nations in the knowledge economy. Third, that INTO partnerships ‘deliver’ promised results – in terms of student numbers and student satisfaction, and also in terms of financial returns to partner universities and economic development to the countries they are located in. Thus making a profit and creating jobs are entangled together and conveyed in parallel to excellent education provision. Finally, INTO promotes itself as being able to guarantee such results.

This set of processes, and the quality of its operations, have also been legitimated by industry recognition. In 2011 INTO received the Exporting Excellence award by a magazine called Education Investor to recognize the contribution education providers make to the UK economy - in INTO's case through the recruitment of international students and widening of access to the UK. It also won the title of the Higher Education Provider of the Year (INTO, 2011).

INTO’s market locations are further instituted through the creation of organizational structures within national legal systems, and by being in line with particular university decisions. For example, in the US, they take the form of university departments, since legally, public universities cannot have this kind of cooperation with a private company. In the UK, INTO have instituted their market relations through joint ventures – new private companies owned half by INTO and half by the partner university; or new centers owned by INTO. This fits well with the wider regulatory environment in the UK which has promoted Public Private Partnerships as the preferred governance model for public sectors (Robertson, Mundy, Verger, and Menashy 2012). INTO also guarantees contracts with selected British universities who are not partners in the sense of joint ventures, but engage in enrolling students who complete programs in INTO centers. These contracts enable INTO to find and guarantee study places for all students completing their programs. This is yet another example of Çalışkan and Callon's (2010) market framing by a marketizing agency. INTO invests in the process of the valuation of the services it delivers and its price. It actively promotes financial profits and education quality in order to establish new partnerships with universities. Participating universities consequently also become active agents in the process of market-creation and expansion. Yet instituting these markets has not gone unchallenged. There are occasions when news is reported that university staff have protested about the university being approached by INTO to partner (Newman 2008). In 2007, there was a dispute between INTO and University and College Union (labor union from the UK) which publicly challenged INTO approaches, and published a briefing on its web page called 'Into the unknown'. INTO reacted with a threat to sue the union for defamation, after which the union removed the document from the Internet (Lipsett 2008).

In the different INTO partnerships there are different arrangements as to how to organize labor and the INTO infrastructure. In some cases staff from the university are recruited to also teach at the INTO centers; in other cases, new staff are recruited mostly on fixed-term contracts. In some cases, the international office of the university works for the venture, or at least does some work; in other cases the venture does it on its own. The criteria for staff recruitment and student recruitment is determined by the university and by the specific center/venture, but in order to stay competitive and attractive, they are often lower than criteria for universities in question. This dynamic is part of changing relations within the higher education sector as a result of marketizing.

INTO also promotes itself as offering world class purpose built spaces and markets the millions of pounds of investments that it has put into new buildings. These centers offer study spaces and infrastructure and student dormitories. INTO helps universities access capital for these financial investments, which are often on the campus of partner universities. These new models of joint ventures and spaces for studying are based on the long-term partnership; in the case of one university, this is a 35-year period to which both parties commit and share the financial profits or losses, regardless of the circumstance. If specific ventures do not enroll students to cover costs (e.g. the government would decide to restrict migration of international students), the university would have to cover their part of any financial losses.

INTO is also experimenting with variety: some INTO centers will start to provide online, courses as well as developing Massive Open Online Courses (MOOCs). While the markets around the primary activity of the company and its centers are about providing education leading to a university place, it is engaging in other markets too. One market is international student recruitment more generally; a two decade old 'industry' populated by recruitment agents around the world, Internet recruiters, marketing companies, language schools, representation offices of universities in other countries, other companies with similar services like INTO, and national agencies like the British Council. All of these actors use multiple technologies, ranging from soft diplomacy at the political level, visits to schools, attending fairs, advertising, social media, partnering with foreign universities or schools and so on. INTO's marketing budget is significant; it reports investing USD45 million per annum on marketing (INTO 2015 webpages). INTO is thus one of a growing number of similar actors positioning themselves as a legitimate and powerful player within the higher education sector (others include NAVITAS and StudyGroup).

INTO is a fascinating case of market-making. Not only does it help lubricate the recruitment process of international students for universities, but its joint venture model enables the university to outsource what might have been more expensive activity for the university while benefitting from the efficiencies that INTO adds when they not only bring students to the campus, but make students 'learning ready'.

Financing new higher education frontiers

Our second case is Laureate Education, now one of the largest global for-profit education companies in the world. In terms of macro and meso market-framing processes, for-profit firms have been encouraged, and selectively enabled, to operate in the higher education sector as a providers of university credentials. The overarching political projects include neoliberalism, and knowledge economy strategies. Laureate Education is therefore only one of a growing number of for-profit universities who operate around the globe; what makes Laureate interesting is its financing model.

The Laureate footprint outside of the US tops that of any US higher education institution; 80 percent of its revenues come from outside of the US (Redden and Fain 2012). In 2015, it enrolled 950,000 students spread across 29 countries and over 75 campuses around the globe (Fain 2014a, 2014b) employing 70,000 employees, faculty, and staff (Laureate 2015 webpages). Students study mostly in low cost programs, such as education, health sciences, business education, engineering, and hospitality management.

Tracing through the history of Laureate Education helps illustrate the model of expansion: private equity investment; buying up highly indebted institutions; operating in those parts of the world where the regulatory environment is more conducive; a strong marketing department; most recently investment from the World Bank's private investment arm - the

International Finance Corporation; and legitimacy through courting the rich and the famous. These elements combine to make a particular kind of global higher education market.

Laureate Education began life under a different name and company - Sylvan Learning Systems, a public company, established Sylvan International Universities in 1998, and headquartered in Baltimore, Maryland in the US. Rapid expansion through global acquisitions is part of Laureate Education's DNA. In 1999 Sylvan Learning Systems acquired a 54 percent share of Universidad de Europea de Madrid for USD51 million. In 2000 it added a hotel management school located in Switzerland, along with the Universidad de Las Américas, Chile, and the Universidad del Valle de México. In 2003 the company made the decision to focus exclusively on post-secondary education. It sold its interests in schools to Educate Inc., (formed by Apollo Management). By 2004 it had changed its name to Laureate Education Incorporated.

In 2007, Laureate Education was acquired by an investor group led by Doug Becker – and went private in a deal worth USD3.8 billion (sized at 240,000 students located in 15 countries). Financial analysts said that going private enabled Laureate to pursue a more aggressive strategy at a time when Wall Street was both sceptical of potential growth and emerging anxieties about investments more generally (Lederman 2007). The investor group included some of the biggest names in global finance: Henry Kravis (KKR), George Soros (Soros Fund Management), Steve Cohen (SAC Capital Advisors), and Paul Allen (Vulcan Capital). Kravis's firm, KKR, was reported to have taken a USD487.5 stake (Kimes and Smith 2014) in Laureate Education. By 2010, KKR had increased its value to USD710.8 million. And while Laureate Education's annual revenue is USD4 billion, those in the industry worry about its very high level of indebtedness. In 2014, Moody's, the credit rating agency, downgraded the credit outlook for Laureate Education to 'negative' from 'stable', citing concerns of Laureate's increasingly leveraged position following its purchase of the Brazilian university – Centro Universitário das Faculdades Metropolitanas Unidas (FMU) for USD500 million - bringing the total debt to USD6 billion. This level of debt is more than Laureate's annual revenue (Fain 2014b).

Laureate Education's acquisition and investment model is fascinating and illustrates the development of strategies to pacify goods, and the refining over time of its market design (Çalışkan and Callon 2010). In his role as Chief Executive Officer (CEO) of Laureate – Becker has to convince investors that Laureate is worth investing in, in persuading universities to sell a share to this private equity backed business, and students to pay. Laureate's promise to students is that Laureate's close links to industry will enable them to secure a job in the future because of the social capital Laureate can mobilize.

Laureate has also pursued a rapid growth strategy, not so much in the US, though that is where the company's headquarters are, but in those countries with an emerging middle class, historically low levels of investment in higher education, and a regulatory environment more open to for-profit or private investments in education: for instance, Brazil, Chile, Mexico, Turkey, and South Africa. Laureate pulled out of plans to invest in India in the face of uncertainty about whether higher education institutions could continue operating a for-profit model (Kinser 2010: 159). Its operational model is to build efficiencies through economies of scale the Laureate network brings (Ibid).

Laureate invests a great deal in marketing; its budget is around USD200 million, and telemarketers are new kinds of agents who have scripts and recruitment targets (Çalışkan and Callon 2010). Those turning in a good sales performance are promised bonuses (Kimes and Smith 2014). This level of spending means there need to be cost savings elsewhere; in comparison to a more convention university – Laureate has most of its academic teaching staff on part-time contracts, and contracts which do not involve and value research.

Laureate's investment strategy has changed over time. In an interview with Paul Fain reported in InsideHigherEd in 2014, Becker stated that, in the early days of Laureate, we would '…go around the world to identify countries that were experiencing the most severe imbalance of supply and demand - who would really benefit from our assistance and support – and find a partner in each country. And we would typically invest in the university as a financial partner and an operating partner with the local entrepreneur' (Fain 2014a). More recently, Laureate has also partnered with non-profit and high ranked institutions, like Monash University, to deliver Monash's investments in South Africa, and the University of Liverpool in the UK. For instance, Laureate provides the platform for Liverpool's online degrees; Laureate students are able to study in Liverpool summer school programs, and Laureate provided the £1 million bond and financial backing for Liverpool to operate its joint venture in in China – X'ian Jiaotong Liverpool University, near Shanghai (Ball 2012: 132).

In 2013, the International Finance Corporation – a member of the World Bank Group, made a USD150 million equity investment in Laureate, to expand access to quality higher education in 'emerging markets'. In the same year, Coursera, a major provider of Massive Open Online Courses, announced that it had raised USD43 million in funds from an investment group that included Laureate Education.

Laureate has also courted the politically rich and famous which helps both in terms of marketing and in market maintenance (Çalışkan and Callon 2010). Two examples are worth noting. In 2010, former US President, Bill Clinton was made an Honorary Chancellor for Laureate. Other members of Clinton's administration also have roles in key executive and board positions. As Honorary Chancellor, President Clinton is reported to provide advice on matters such as social responsibility, youth leadership, and increasing access to higher education. On Laureate's website, Clinton states: 'These private universities exemplify the same principles of innovation and social responsibility in education that we worked to advance during my presidency and now through my foundation, and I am pleased to support their mission to expand access to higher education, particularly in the developing world'. (Laureate Education 2015 website). In Turkey, Laureate acquired an ailing Bilgi University in Istanbul, Turkey. In 2010, Laureate's Universidad de Europea de Madrid awarded Turkish Prime Minister, Erdogan, an honorary doctorate.

This does not mean that Laureate has always managed to convince the regulators as to the probity of its investments. In 2013, Laureate tied to set up a joint venture with the US Arizona-based Thunderbird School of Global Management. However the accreditor for Thunderbird – the Higher Learning Commission - raised a series of questions about standards – a move that can be understood against a wider set of concerns in the US around for-profit provision. The Apollo Education Group, with significant investments in the US under its flagship University of Phoenix, have found themselves financially under-performing as a result of '…a series of lawsuits, tight governmental scrutiny, above average costs, and below industry-standard quality (Zimmerman, Orjuela, and Caucas 2015).

Infrastructures and data markets

Universities use many services and products for which they do not necessarily pay and thus there is no immediate monetary compensation (e.g., social media). In this respect using such services might not be interpreted as market activity if we were to follow economic theory. However, universities are feeding into the opportunities of companies to operate in other markets, or are transforming themselves to take advantage of new market possibilities. Transformations at the macro level are tied to new digital technology developments. These are characterised by speed, immediate information dissemination, low (re)production costs, and immense innovation opportunities. Higher education does not stay intact and market innovations successfully penetrate education institutions and individuals through particular solutions at the meso level, which are in turn designing new markets.

LinkedIn is a fascinating case in this regard. LinkedIn is a corporation (public company) based in the US, and created in 2003 and is an Internet platform specializing in professional networking. It relies on people creating their professional profiles around their education, career, skills, work experience and so on, and then connecting to people they know. It allows people and organizations to use basic services for free (in the sense of not paying to have a profile), or to pay a premium subscription to use additional features of the platform, like check who has viewed their profile, connect to people they do not know, send messages to them, and so on. These subscriptions are one out of three income streams for LinkedIn, the other two being ‘talent solutions’ and ‘marketing solutions’.

Based on the last available annual report (LinkedIn 2014) LinkedIn had 277 million members in 2013 and showed substantial growth in memberships, Internet visitors of its platform, and usage of services. It reported intensive service development in 2012 and 2013 that resulted in new ways of showcasing members’ profiles, new services, and more people signing up. The year 2013 was a record in the company’s history as 75 million subscribers signed up. For 2013, revenue was USD1.53 billion. The fastest growing income stream for LinkedIn of the three mentioned above is ‘talent solutions’, that is, subscriptions employers (or anybody else) can pay to LinkedIn to use LinkedIn data for searching for new employees or people’s profiles in more detail.

LinkedIn has developed a variety of services and products that draw data from people’s profiles and their networking, and are targeted to different audiences. Such services include: creating one’s own profile as a brand, networking, and connecting to known and unknown people; writing stories, news, and opinions; browsing peoples’ profiles; getting information about companies; university rankings; employers’ rankings; social selling; participating in groups; using alumni tools; and so on. It has also developed services and products specific to higher education that target individuals and universities. LinkedIn says 24,000 universities are represented on the LinkedIn platform worldwide. In both cases, people are motivated to keep their profiles as populated as possible with up-to-date information about skills, education, experience, endorsements, volunteer work, adding projects, videos, and documents. Besides individuals, LinkedIn promotes the benefits of rich profile data to universities and advises them to motivate their own students, alumni, and staff to upload all relevant and attractive information. Universities and organizations are motivated to create their own profiles too and form virtual social groups with students, alumni, or other interest groups to communicate and connect. It recently developed a set of university rankings based on employment and careers which is for now reserved for specific disciplines and countries, and which has the potential to become widespread.

Data provided by individuals, universities, companies and other organizations are then analysed and repackaged by LinkedIn and offered back to different audiences, some for free and some for fees/rents. In this respect, it is crucial for LinkedIn to have as many users as possible with up to date information. Based on this data it can offer attractive products to anybody: for example, individuals, governments, universities, employers.

There is a pattern emerging here; the labouring is done by the individuals and universities who populate parts of the LinkedIn pages they use but who are not financially compensated. The company then uses the information produced by such labouring for other products and services through which it earns profits. In this sense LinkedIn's market framing - of creation, expansion, and maintenance (Çalışkan and Callon 2010), is dependent on how successful it is in attracting individuals and organizations to do such free labour, on the one hand, and how successfully it infiltrates the operations of different organizations or lives of individuals, on the other. The more useful it becomes for different actors, the more LinkedIn can reframe such use-values into commodities (exchange-values).

We also note an attempt by LinkedIn to gain a monopoly in what it does, which is why they visit universities and other actors in different countries consulting on which services might best be developed into the future. This is an interesting development. On the one hand, it is co-creating such services as they become use values for them (by participating in discussions on what would be created in the future); on the other hand it is populating data and using services, and later using them or paying for them as they become a new product. Moreover, if the LinkedIn rankings gain in impact, it will contribute to building a reputation and brand management of universities across the globe. If universities aim to improve their LinkedIn ranking, it will also be in their interest to motivate its own successful alumni to create their LinkedIn profiles by keeping them up to date, and by being active in discussions and other LinkedIn services in order to influence the ranking algorithm. This has the potential in the future of becoming a self-reinforcing growth forward moving dynamic.

These peculiar markets do not need specific regulatory changes, but do get materialized as universities became dependent on them, at least in their relations with alumni, career services, and the like. Our research at British universities revealed that universities use LinkedIn exclusively in those activities. In this sense LinkedIn is a clear marketizing agency with its strategy of constant (re)framing between 'free' services and payable commodities. It is dependent on the cooperation of each university; without universities' engagement, their motivating of students, and alumni and free labouring, LinkedIn would not have a big enough scale of data to create its envisaged commodities/pacified things to sell. It is no surprise that LinkedIn invests in creating market encounters with universities (which is yet another market framing) by sending its staff to tour universities around the world, visit or organize events, create meeting encounters on the Internet, and so on. What potential all this big data has for the higher education in the future still remains to be seen, but penetration in governing the sector (for now through rankings) and knowledge dissemination (through sharing news, opinions, projects and so on) is clearly visible.

Higher education reputation markets

At the macro levels the development of globally competitive knowledge-based economies is used to frame new forms of global governance, as well as the presence of new actors and technologies (meso) such as rankers, rankings, league tables, and benchmarks (Berndt and Boeckler 2012). Universities in this respect have learned that managing their reputation and brand is not just a way to attract students, but prove to take their 'new' societal roles responsibly.

QS Quacquarelli Symonds Limited (QS), a university ranker is based in the UK. It was created in the 1990s by Nunzio Quacquarelli; a student with an idea and entrepreneurial determination. QS was officially established in 1993 as 'Printsale Limited'; it has subsequently changed its name twice, though Nunzio Quacquarelli has continued as Director. Initially Quacquarelli started with the publication of an MBA career guide; this was extended to educational publications looking at opportunities for business and postgraduate education. Quacquarelli also began organizing events on MBA education, and was pivotal to making QS a global company. He also wanted his media company to be an information and data company, and in 2002 started a project on rankings with colleague, John O'Leary, editor of Times Higher Education, UK. This resulted in QS-THE ranking being launched in 2004 (University of Pennsylvania Wharton 2014) but which later separated into two different rankings.

QS quickly evolved and now is a diverse collage of services and products. There are several existing companies connected to QS, which makes it hard to track its financial situation. From the last available financial report, QS Quacquarelli Symonds Limited showed an annual turnover in 2013 was above £17 million, a gross profit of £14 and retained some profit for the group to carry forward £0.7 million (QS QUACQUARELLISYMONDS LIMITED 2014). In

2015, QS employed 250 employees and had offices in five countries other than the UK, including Singapore, and the US.

Besides rankings, QS has developed the following products aimed at students, academics, universities, governments, media, and other audiences: Information Technology solutions; online search engines with services like search tools for the public and adverting and branding for institutions; publications like guides for study courses or publications for universities; variety of rankings; variety of intelligence; fairs and events; conferences; and advice on student recruitment.

QS rankings are an example of how an initial product grows in space, scale and variety. Initial global rankings of universities are still prepared every year, but now there are also subject rankings in 30 disciplines; regional rankings (in Asia, Latin America, and Brazil, Russia, India and China (BRICs)); best student city ranking; and ranking '50 under 50' catering to universities established less than 50 years ago. QS has launched a service called 'stars', which evaluates universities based on indicators it has developed and which awards stars to institutions, and services like QS Top global 200 Business Schools based on employers' choice.

QS does not charge universities for them to be included in their global rankings. However, it has a full range of services for sale on how to improve university or country positions. It has an intelligence unit that does research, and helps institutions improve their ranking. One of our QS interviewees stated that rankings are more of a public relations event for QS since they raise a lot of attention. It is many times a starting point for QS to engage in other relationships with universities and governments, which is where QS then makes profit. In this respect, QS uses detailed data, which is freely given to it by universities for the purpose of rankings. But it then also uses this data to turn it into research and consultancy services, which it sells to those who want to improve their reputational status. In this respect framing of things to sell are in constant motion as the company works to expand its markets. How things are packaged strategically varies based on the buyers' profiles, locations, and aims. In sum, QS specializes in trade in reputation; as a marketizing agency, it has managed to frame reputation as a sellable commodity. Universities and countries that not just buy these services, but engage with this sort of framing become marketizing agencies as well. QS also provides advice services to universities on a range of other topics – how to internationalize, prepare the strategy, brand itself, and so on. Efficiency is very important to the QS brand; there is a policy in the company that each enquiry needs to be answered in 24 hours, as it wants to be responsive and transparent about its work.

It invests a lot in educating students to use its services, which is an important factor for the business strategy. The more widely QS search engines and rankings are used by students and the general public, the more likely institutions are to want to improve their status and pay for QS consultancy. Like in the case of LinkedIn, this is an example of a market where some services are provided 'for free' to different users, but those who are actually using it for free are labouring for the company to then repackage this labour and sell it in other ways and to other buyers.

The means through which QS comes to new clients and services is by networking and keeping a strong relationship with as many actors as possible. Key here is attending many events so as to build strong ties. This includes higher education conferences and fairs. Its employees present papers and mingle with other conference participants. QS lubricates its relationships with potential clients by hosting 'must go to' receptions and parties – in turn building loyalty through congeniality, personality, and personalization. The dynamic is opposite to the impersonal market relations envisaged by economic theory. In fact, QS works hard to create long standing social relations and turn them into strong ties with the aim to occupy the position of one of the central nodes in its market structure. Financial transactions for exchanges of commodities are in this respect just moments in the otherwise long lasting social relations and not the focal point of meetings between QS as a seller and other actors as buyers.

Unbundling the University and Making Higher Education Markets: Final Thoughts

There is nothing inevitable about creating the conditions for the unbundling of existing university structures, and the creation of new market-making practices, which are in turn instituted. Through the cases we have developed, we have shown that making markets requires a considerable amount of work to both bring markets into being, and to maintain them. Yet we argued that much of the literature on higher education markets either tends to assume markets, as something of a fait accompli. Our contribution, we hope, is to show what more can be seen in the making of higher education markets when we draw on the conceptual resources that researchers like Berndt and Boeckler (2012) and Çalışkan and Callon (2010) have developed. By bringing together these different macro-meso and micro framing moments, we can see market-making is dynamic, diverse, changes with time and in spaces, and can also fail. They require investment, not just by agents, but financial resources, institution building, loyalty and legitimacy. Loyalty and legitimacy seem to be crucial in enrolling potential market actors in the labouring to do with production and consumption – especially in the making of higher education markets – something we need to understand better. Perhaps this is because they are ‘markets in the making’ with meanings yet to be fixed, stabilized, and made common sense or as Çalışkan and Callon (2010) would say – the ‘domestication of novelty’. Profit and education, for the moment at least, continue to remain uneasy bedfellows.

References

Ball, S. J. (2007). *Education PLC: Understanding privatesector participation in public sector education*. London and New York: Routledge.

Ball, S. J. (2012). *Global education Inc. New policy networks and the neo-liberal imaginary*. London: Routledge.

Berndt, C., & Boeckler, M. (2009). Geographies of circulation and exchange: constructions of markets. *Progress in Human Geography*, *33*(4), 535–551.

Berndt, C., & Boeckler, M. (2012). Geographies of marketization. In T. J. Barnes, J. Peck, & E. Sheppard (Eds.), *The Wiley-Blackwell companion to economic geography* (pp. 199–212). Chichester, West Sussex: Blackwell Publishing Ltd.

Brown, R. (2011a). *Higher education and the market*. New York: Routledge.

Brown, R. (2011b). The March of the market. In M. Molesworth, R. Scullion, & E. Nixon (Eds.), *The marketisation of higher education and the student as consumer* (pp. 11–24). London and New York: Routledge.

Çalışkan, K., & Callon, M. (2009). Economization, part 1: Shifting attention from the economy towards processes of economization. *Economy and Society*, *38*(3), 369–398.

Çalışkan, K., & Callon, M. (2010). Economization, part 2: a research programme for the study of markets. *Economy and Society*, *39*(1), 1–32.

Callon, M., & Muniesa, F. (2005). Peripheral vision: Economic markets as calculative collective devices. *Organization Studies*, *26*(8), 1229–1250.

De Boer, H., & Jongbloed, B. (2012). A cross-national comparison of higher education markets in Western Europe. In A. Curaj, P. Scott, L. Vlasceanu, & L. Wilson (Eds.), *European higher education at the crossroads: Between the Bologna process and national reforms* (pp. 553–571). Heidelberg: Springer.

Fain, P. (2014a, May 20). Laureate looks forward. *Inside Higher Ed*. Retrieved on May 17, 2015, from https://www.insidehighered.com/news/2014/05/20/ceo-global-profit-its-expansion-accreditation-and-profit-debate

Fain, P. (2014b, June 2). Moody’s downgrades Laureate's credit outlook. *Inside Higher Ed*. Retrieved on May 17, 2015, from https://www.insidehighered.com/quicktakes/2014/06/02/moodys-downgrades-laureates-credit-outlook

Garcia, M.-F. (1986). La construction sociale d’un marché parfait: Le marché au cadran de Fontaines-en-Sologne. *Actes de La Recherche En Sciences Sociales*, *65*, 2–13.

Hogan, A., Sellar, S., & Lingard, R. (2015). *Commercialising comparison: Pearson, edu-business, and new policy spaces in education*. Paper presented at the annual conference of the Compartive and International Education Society, Washington, DC, March.

INTO. (2011). Press Releases: University Partnerships is Higher Education Provider of the Year. Retrieved on May 17, 2015, from http://www.into-corporate.com/news-and-views/press-releases/2011/11/into-university-partnerships-is-higher-education-provider-of-the-year.aspx

INTO. (2014). INTO university partnerships limited Directors’ report and consolidated financial statements for the year ended 31 July 2013. Companies House.

INTO (2015). INTO Webpages. Retrieved on May 17, 2015, from http://www.into-corporate.com/into-performance.aspx

Jessop, B., Fairclough, N., & Wodak, R. (Eds.). (2008). *Education and the knowledge-based economy in Europe*. Rotterdam: Sense.

Jongbloed, B. (2003). Marketisation in higher education, Clark’s triangle and the essential ingredients of markets. *Higher Education Quarterly*, *57*(2), 110–135.

Kimes, M., & Smith, M. (2014). Laureate, a for-profit education firm, finds international success (with a Clinton’s help). *Washington Post*. Retrieved on May 17, 2015, from http://www.washingtonpost.com/business/laureate-a-for-profit-education-firm-finds-international-success-with-a-clintons-help/2014/01/16/13f8adde-7ca6-11e3-9556-4a4bf7bcbd84_story.html

Kinser, K. (2010). A global perspective on for-profit higher education. In G. Henschke, V. V. Lechuga, & W. Tierney (Eds.), *For Profit Colleges and Universities*. Stirling, Virginia: Stylus.

Komljenovic, J., & Robertson, S. L. (2015). “Market-making” and the university: a processual and relational account. Article under review at the Journal of Education Policy.

Lederman, D. (2007, January 30). Another move from public to private. *Inside Higher Ed*. Retrieved on May 17, 2015, from https://www.insidehighered.com/news/2007/01/30/laureate

Leys, C. (2003). *Market-driven politics: Neoliberal democracy and the public interest*. Verso.

LinkedIn. (2014). United States Securities Exchange Commission Annual Report pursuant to section 13 ir 15(d) of the Securities Exchange Act of 1934. LinkedIn Corporation.

Retrieved on May 17, 2015, from http://investors.linkedin.com/secfiling.cfm?filingID=1445305-14-439

Lipsett, A. (2008, July 30). Language trainer into threatens to sue university union. *The Guardian*. Retrieved on May 17, 2015, from http://www.theguardian.com/education/2008/jul/30/foreign.students

Marginson, S. (2013). The impossibility of capitalist markets in higher education. *Journal of Education Policy*, *28*(3), 353–370.

Marginson, S. (2014). Public lecture on April 16, 2014, at the University of Bath. Capitalist markets in higher education: Utopias or possibilities. Organized by Society for Research into Higher Education.

Marginson, S., & Considine, M. (2000). *The enterprise university: Power, governance and reinvention in Australia*. Cambridge: Cambridge University Press.

Newman, M. (2008, May 1). Into founder says his private capital supports public work. *Times Higher Education*. Retrieved on May 17, 2015, from http://www.timeshighereducation.co.uk/401674.article

Peck, J., & Theodore, N. (2007). Variegated capitalism. *Progress in Human Geography*, *31*(6), 731–772.

Polanyi, K. (1944). *The great transformation*. Beacon Hill, Boston: Beacon Press.

QS QUACQUARELLISYMONDS LIMITED. (2014). Group Strategic Report, Director’s Report and Audited Consolidated Financial Statements for the Year Ended 31 December 2013 for QS QUACQUARELLISYMONDS LIMITED. Companies House.

Redden, E., & Fain, P. (2012, October 10). Going global. *Inside Higher Ed*. Retrieved on May 17, 2015, from https://www.insidehighered.com/news/2013/10/10/laureates-growing-global-network-institutions

Robertson, S. (2010). Globalising UK higher education. London: LLAKES.

Robertson, S., Bonal, X., & Dale, R. (2002). GATS and the education service industry: The politics of scale and global reterritorialization. *Comparative Education Review*, *46*(4), 472–495.

Robertson, S. L., & Komljenovic, J. (2015).. Unbundling higher education: When all that is solid melts into … profit! Paper presented at the annual conference of the Compartive and International Education Society, Washington, DC, March.

Robertson, S., Mundy, K., Verger, A., & Menashy, F. (2012). *Public private partnerships in education: New actors and modes of governance in a globalizing world*. Cheltenham: Edward Elgar.

Slater, D., & Tonkiss, F. (2001). *Market society: Markets and modern social theory*. Wiley.

Slaughter, S., & Rhoades, G. (2004). *Academic capitalism and the new economy: Markets, state, and higher education*. Baltimore: Johns Hopkins University Press.

University of Pennsylvania Wharton. (2014). How disruption is creating opportunity in higher education. Interview with Nunzio Quacquarelli. University of Pensylvania, Wharton. Retrieved on May 17, 2015, from http://knowledge.wharton.upenn.edu/article/how-disruption-is-creating-opportunity-in-higher-education/

Zimmerman, A., Orjuela, J. L. R., & Caucas, J. A. (2015). In-depth analysis of for-profit education industry and the future of the Apollo Education Group: The Economist Case Competition 2015. New York: The Economist.