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The Political Economy of the *University INC.*

Contents

<b>Introduction</b>	<b>2</b>
Devrim Yilmaz, Susan Feiner and Rex McKenzie	
<b>Gambling with “Human Capital”: on the Speculative Logic of the “Knowledge Economy”</b>	<b>6</b>
Jean François Bissonnette and Christian Laval	
<b>Neoliberalism in the Academy: Dispatch from a Public University in Colorado</b>	<b>18</b>
Sasha Breger Bush, Lucy Ware McGuffey and Tony Robinson	
<b>Undoing the Neoliberal Higher Education System? Student Protests and the Bachelet Reforms in Chile</b>	<b>32</b>
César Guzmán-Concha	
<b>The Corporization of a Public University with Free Undergraduate Education: Endangering Autonomy at the University of Buenos Aires</b>	<b>44</b>
Cecilia Rikap	
<b>Imperial Partitioning in the Neoliberal</b>	<b>60</b>
Cathy Wagner, Theresa Kulbaga and Jennifer Cohen	
<b>“Fuzzy Privatization and Decline of Democracy at the University of Helsinki”</b>	<b>78</b>
Taavi Sundell and Teivo Teivainen	

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## The Political Economy of the *University INC.*

### Introduction

This issue brings together six articles from different parts of the world that report on the condition of the university in our shared neoliberal setting. This is a timely intervention, one close to our hearts as each of us works at a university put upon by neoliberal policies. As fate would have it, during the preparatory work for this issue, two of the co-editors were confronted by a University wide programme (Kingston University, Plan 2020) that would reconfigure the university to make the university a more competitive agent in the government created market for UK higher education. The experience is as traumatic as it is demoralising. The third co-editor, a campus union leader, continues to confront the day-to-day consequences of deliberate underfunding of faculty positions. The process for each of us is to say the least sobering. We believe that we are on the frontline of the neoliberal attack on higher education. We are confident that you, our readers around the world, will recognize many of the ideas and fiscal circumstances discussed in the articles. Essentially we are witness to a global project designed to reduce/distil our universities down to private business units that define all academic functions in terms of contributions to economic value. In general (in a sad comment on contemporary circumstances) we concur with contributors Sasha Breger Bush and her colleagues, *"Our spirits are wasted by stress, anxiety, depression and the creeping feeling that we are no longer providing the meaningful and vital public service that we should be providing."*

The issue's running order is as follows; first, **"Gambling with 'Human Capital': on the Speculative Logic of the 'Knowledge Economy'"** (Jean François Bissonnette and Christian Laval) analyses how the neoliberal reformulation of the knowledge economy presages a profound transformation of higher education that increases competition among universities and intensifies rivalry among scholars. The authors show how the project has taken a decidedly *speculative* turn, as universities coerce academic staff into the logic of neoliberalism, *"whereby their relationship to knowledge acquires the meaning of a gamble on the future payoff of their scholarly activity."* The whole point of the exercise is to hollow out academic practice to create market relationships satisfying the economy's need for professional skills. Increasingly management and scholars can only view a university education in terms of the discounted value of professional skills required by corporations. Most know that career training was never the sole objective of higher education. But under neoliberalism the educational goal of encouraging critical thinkers and engaged citizens has been sacrificed to narrowly vocational skills.

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The second essay, **“Neoliberalism in the Academy: Dispatch from a Public University in Colorado”** (Sasha Breger Bush, Lucy Ware McGuffey and Tony Robinson) offers intertwined first person narratives reflecting on personal experiences of *“labor flexibilization, bureaucratization, and corporatization”* at the University of Denver, Colorado. The authors make the case that these are the channels through which neoliberalism affects the nature and quality of higher education. Changes at University of Denver displace traditional views of the constitution of the university, as well as its role and function in society. Consequently respect for academic freedom, professional esteem, and collegiality are all greatly diminished as the University becomes a business unit.

**“Undoing the Neoliberal Higher Education System? Student Protests and the Bachelet Reforms in Chile”** (César Guzmán-Concha) is the first of two articles from Latin America. Guzman-Concha details the resistance to Bachelet’s attempt to marketise Chilean higher education. The article shows that while some of the legislation aimed to increase state responsibility for higher education, Bachelet’s reforms fell short. Instead, the changes consolidated a vision of education as a marketplace in which institutions compete for students, subsidies and funding. The essay ends by identifying the reforms inherent limits, pointing to the failure of a muscular welfare coalition able to transform social demands into sustainable policies. Guzman-Concha’s analysis suggests that the withdrawal of state resources from education has engendered intensified student claims for greater state support and debt reduction. While we cannot predict the outcome of this ongoing contestation, the signs for the future are not reassuring.

Another contribution from South America, **“The Corporization of a Public University with Free Undergraduate Education: Endangering Autonomy at the University of Buenos Aires”** (Cecilia Rikap) points to the negative public consequences of requiring academic units to raise their own funds. When faculty are forced to focus on consulting and other revenue generating services they have far less time and attention for either undergraduate teaching or research. Interestingly, the continued provision of free undergraduate education deflects attention from the marketised or corporate transformation of the university.

**“Imperial Partitioning in the Neoliberal”** (Cathy Wagner, Theresa Kulbaga and Jennifer Cohen) shows how top down administrative decisions to redraw the boundary between core and satellite campuses disempowered faculty and students. Previously, faculty on the various campuses had worked together on curricular design, departmental/major requirements and so forth. This core/satellite relationship supported collaboration because the two-year degrees (earned at the satellite campuses) were stepping stones to baccalaureate programs awarded by the main campus. Under the new relationship, the

regional/satellite campuses were required to redesign courses and majors to accentuate work force readiness. This reconfiguration heightened status differences across University of Ohio campuses. But because attendance at the regional/satellite campuses is more diverse and less traditional, these status differences reinforce already existing social hierarchies of race, gender and class. Thus, this administrative initiative—putatively about resources, efficiencies and autonomy— turns out to be yet another way to mark some students as “talented and deserving” and others as “less talented, less deserving.”

**“Fuzzy Privatization and Decline of Democracy at the University of Helsinki”** (Taavi Sundell and Teivo Teivainen) shows how the fuzzy use of language and a corresponding blurry practice play pivotal roles in the privatization process at University of Helsinki. The authors draw a distinction between endogenous privatization (importing of ideas, techniques and practices from the private sector) and exogenous privatization (directly private and for-profit provision of education) , to argue that endogenous privatization of education lends itself to an implementation governance that purposefully blurs the roles and responsibilities of various university governing bodies. The authors argue that by obscuring power relationships these strategies mute political resistance to privatization. Taken together they effectively marginalise all democratic opposition to privatization at the University of Helsinki.

These essays show the extent to which neoliberalism and its associated *business think* subverts higher education. The academic trade unions around the world deal with the day-to-day consequences of academic policies emanating from corporate philanthropists like the Lumina and Gates Foundations. The conferences sponsored by these philanthropists for all levels of higher education administrators produce a homogenized administrative response to the very real problems confronting our universities. The men from Mount Pelerin (the libertarian institute founded by Hayek and Mises) are succeeding in anchoring the University in a fictitious vision of “the marketplace,” and are thus undermining, subverting and diverting the deep intellectual mission of the academy. It’s not a coincidence that collegiality, academic freedom, tenure and critical analysis decline when efficiency considerations drive faculty work. Indeed, higher education administrators and their subordinate fractions are hard at work instilling value calculations motivated by balance sheet profit and loss entries. By this means, all the social agents (including the students) are brought into concert with neoliberal rationality.

Corporatisation seeks to remake higher education as a consumer product, and in the process the academy is subjected to the banal demands and cold quantifications required by the demands of an assumed academic marketplace. *“Time that could be better spent with students or on research is wasted on endless paperwork and infinite meetings. Money that could be better spent*

*on improved wages and conditions for adjuncts/hourly paid lecturers or improved instruction is diverted to new administrative positions, strategic planning initiatives and third party consultants.”* Intended or not, dismantling the academy undermines democracy everywhere – without Universities fostering critical analysis and creative thought democracy withers. The pressing question remains – *What is to be done?*

Managing Editors: Devrim Yilmaz, Kingston University, London, England; Susan Feiner, University of Southern Maine, Portland, ME.; USA, Rex McKenzie, Kingston University, London, England.

## Gambling with “Human Capital”: on the Speculative Logic of the “Knowledge Economy”

**Jean François Bissonnette and Christian Laval**

Sophiapol, Université Paris Nanterre, France

The educational and academic fields have not been spared by the neoliberal logic. They indeed became one of its primary targets. Critics of neoliberalism too often neglect this, for they merely see in the latter a doctrine exclusively concerned with economic policy. They forget that knowledge constituted in fact a central element of the various approaches that contributed to the neoliberal synthesis.<sup>1</sup> The “knowledge economy”, as it is often called, is the paradigmatic product of this synthesis. It holds that economic growth is set to become ever more “knowledge intensive”, and thus, that only those economic and political actors who manage to produce and make use of the rarest innovations and skills will prevail in the global competition between firms and the nation states that champion them.

Far from being an independent offshoot, the “knowledge economy” is thus an essential aspect of the neoliberal regime. It establishes itself as a strategic imperative for political and economic leaders in every capitalist country. Institutions dedicated to the production and diffusion of knowledge can hardly avoid surrendering to this strategy, as it gets implemented through an ensemble of norms, directives and procedures that profoundly alter their goals and functioning. To be sure, its ways and means vary from one country to another. Yet this strategy, which we could call the *capitalist knowledge strategy*, presents a high degree of coherence. Not a single aspect of these institutions and of the subjectivities that they harbour are left unscathed by the rationality that inspires it.

The worldwide transformation of universities cannot be understood without questioning this strategy. It depends on the articulation of two fundamental concepts: the “knowledge economy”, on the one hand, and “human capital”, on the other. These are but the two sides of the same strategic orientation. In the first instance, the emphasis is put on the utility of knowledge as it is supposed to give firms an edge in a context of global economic competition. In the second, the focus is set on the incentive for individuals to accumulate a

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<sup>1</sup> Worthy of mention here are, among others, Schumpeter’s theory of innovation, Hayek’s theory of information, Becker’s neoclassical economics, and Drucker’s theory of management. Cf. Joseph Schumpeter, *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest and the Business Cycle*, New Brunswick and London, Transaction Publishers, 2008 [1934] ; Friedrich Hayek, “The Use of Knowledge in Society”, *American Economic Review*, XXXV, n°4, 1945, pp. 519-30 ; Gary S. Becker, *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education*, Chicago, University of Chicago Press, 1993 [1964] ; Peter Drucker, *Innovation and Entrepreneurship*, New York, HarperBusiness, 2006 [1985].

number of skills, experiences and attitudes that are supposed to boost their income and social standing. The concept of “market” performs the theoretical articulation of both logics, since markets allegedly harmonize the interests of businesses and those of individuals alike.

This strategy thus leads to a radical reinterpreting of knowledge itself, which reduces its cultural and social significance to the mere calculation of its economic value. It also operates at the subjective level by fundamentally transforming the nature of the work accomplished by scholars and teachers, just as it changes the meaning that their studies have for the students themselves. The product of the professional activity of the former and the result of the latter’s learning are likewise reinterpreted as the accumulation of a ‘human capital’ whose value is supposedly validated by the market.

The “knowledge economy” thus implies a profound transformation of both institutions and subjectivities, by means of a number of reforms that aim to introduce more competition among universities, to rationalize their “governance”, and intensify the rivalry between scholars and labs seeking to increase their budgets and status. Combined with tuition fee hikes and the piling up of huge debts on the students’ side, such reforms are meant to hollow out academic institutions and create in their midst a network of market relationships whose alleged efficiency should help satisfy the economy’s need for innovations and professional skills as well as the financial needs of universities themselves, while ensuring the profitability of students’ educational “investments”.

In that sense, as we intend to show in this paper, the political economy of higher education now takes a decidedly *speculative* turn, as the market-like functioning of universities forces upon their members a typical kind of ethos, whereby their relationship to knowledge acquires the meaning of a gamble on the future payoff of their scholarly activity.

## 1. The Capitalist Knowledge Strategy

Neoliberal policies targeting universities transform knowledge itself by ascribing to it a value that only makes sense in economic terms. The purpose, organization and functioning of higher learning institutions depends more than ever on a market logic that superimposes on knowledge the abstract form of economic value, which is taken as an absolute criterion of validity, thus breaking with properly scientific means of evaluation, and more largely, with the ethical principles that had been enshrined in the academic field over the last two centuries.

Of course, this strategy remains only partly fulfilled to this day, as it stumbles over the remnants of institutional autonomy that ensured, in the classical order of the university, its



capacity to attain its own ends as far as research and teaching went. This classical order of the university designates, in our view, the principles and values that guaranteed the relative autonomy of academic institutions and that shielded them against religious, political and economic powers. These entailed a number of consequences relative to the symbolic status of science and culture in society and to the role that scholars and teachers, as well as students, played in their respective institutions.

This classical order of the university is explicitly challenged today at different levels. Ideas and proposals set forth by large international organizations such as the World Bank, the OECD and the European Commission have laid the groundwork for a radical reconsideration of knowledge itself and of its institutional conditions of possibility. Universities worldwide have become contested turf, where the very definition of knowledge is at stake, as capitalist forces, pursuing their secular work of enclosure, are now bent on eroding the former's autonomy and capturing the means of knowledge production to their own ends. Neoliberal reforms thus aim to institutionalize a distinctively capitalist conception of knowledge, so that this *conception* becomes in effect the very *form* of knowledge.

The capitalist form of knowledge does not stem directly from the effective selling of "cognitive goods and services" on real, complete markets. Knowledge need not be turned into an actual merchandise, in the way in which it is taught or acquired, to receive a merchant *form* and be treated as such. Karl Polanyi spoke of land, money and labour as "fictitious merchandises".<sup>2</sup> The same could be said of knowledge. Ascribing an economic value to the latter necessitates a process of normalization that runs through both the cognitive and practical operations that shape the very categories under which knowledge is rendered thinkable, as well as the institutional apparatuses for its production and diffusion, and the norms that regulate its financing. These function *as if* all scholarly activity could in effect be quantified, evaluated according to its economic output, and integrated into a calculus of costs and benefits. The properly fictional construction of a 'market for knowledge' entails very real consequences, however, be it only by means of the selection it makes possible between 'profitable' and 'useless' activities, between market-validated scholarship and the rest.

It goes without saying that this normalization, by considering knowledge *as if* it were a merchandise, often creates the conditions for it to actually become so. Critics of "academic capitalism" have brilliantly shown how universities are being turned into profit centres that specialize in the production and sale of cognitive goods, and how scholars are made into

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<sup>2</sup> Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, Boston, Beacon Press, 2001 [1944].



producers and sellers of such goods, in accordance with the requirements of the new economy.<sup>3</sup> This was made possible, as they argue, only because the university has itself become a stakeholder in this new economy that exploits the already existing stock of available knowledge and speculates on its future expansion. According to their hypothesis, universities would in fact constitute the quintessential institution of the new knowledge economy. This interpretation of “academic capitalism” is however flawed by its tendency to forget that even in the absence of effective selling and buying relationships, all scholarly activities are now susceptible to receiving an economic form, by means of an operation of abstraction that separates from the content of any concrete and specialized knowledge the general property of having a potential market value.

This operation of abstraction unfolds in two different directions whether it concerns teaching or research. As regards teaching, the notion of *skills* has become a strategic category that underpins the generalized professionalization of academic curricula as well as the restructuration of learning contents and the modalities for evaluating the professional activity of teachers.<sup>4</sup> Selected and prioritized according to their professional and social utility, the production of skills is now posited as the only legitimate purpose of teaching institutions and as the sole criterion that decides which subjects are to be taught. Parallel transformations in the field of research are driven, for their part, by the logic of *innovation*, which presides over the selection of research projects and the allocation of financial resources by prioritizing the types of scholarship that prove useful for the technocratic management of complex economies and their competitive performance on global markets.

*Skills* and *innovation* are the two sides of the capitalist knowledge strategy, which reduces learning and research to their sole economic finality: producing exchange value on the job and educational markets, on the one side, and producing exchange value on the market for patents and intellectual property on the other.

If knowledge is to be ruled by the logic of its economic valuation, it is thus advisable that it be developed in such conditions and such forms that suit the production of exchange value, i.e., within publicly or privately owned enterprises subjected to competition and performance norms modelled after those that regulate the wider economic sector. In other terms, institutions of learning have to adopt the form, aims and procedures of the firm. For

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<sup>3</sup> Cf. Sheila Slaughter and Gary Rhoades, *Academic Capitalism and the New Economy, Markets, State and Higher Education*, Baltimore, The Johns Hopkins University Press, 2004. See also the earlier book by Sheila Slaughter and Larry L. Leslie, *Academic Capitalism, Politics, Policies, and the Entrepreneurial University*, Baltimore, The Johns Hopkins University Press, 1997.

<sup>4</sup> It is a telling example that Ireland's Department of Education was renamed in 2010 “Department of Education and Skills”. Its British counterpart had also been named such between 2001-2007, after having been called for six years “Department for Education and Employment”. The fact that it has since reverted to being simply a “Department for Education” does not signal a radical change of orientation, however. In modern parlance, education is basically a form of professional training and nothing else.

their part, administrators and scholars accompany and reinforce this transformation by actively engaging in the same logic of competition. They thus participate in the construction of an academic market by importing into their institutions, in accordance with their own professional interests and strategies, the entrepreneurial values and behaviours that characterize the economic world. Students likewise contribute to this market logic by being made into unknowing yet decisive operators of institutional change, through their educational choices and expectations, as they are incentivized to consider their studies as a form of financial investment. The capitalist knowledge strategy is thus enacted through the very calculations that these various publics are led to make in relation to the university. These calculations are speculative both in form and content.

## **2. The Speculative Logic of Higher Education and the Production of Learned Subjectivities**

Academic institutions have to be steered according to the market logic, but the latter also reconfigures the very activity of those who frequent them. Much could be said about the relatively new managerial class that now dominates universities; all those experts and administrators whose mandates are to design and enact the branding, positioning, fundraising and real-estate development strategies that are arguably essential to navigating the market of higher education. The sheer importance of the budget resources drained off by this managerial strata<sup>5</sup> suggests that their activity has indeed become central to the functioning of academic institutions, thus displacing their core mission to advance knowledge and educate, which are now considered at best as side products of their growth and logistical flows management.

Yet, the market logic has also come to inform the meaning and objectives of the activities accomplished by the traditional members of these institutions, namely scholars and students. Their relation to knowledge now takes a “speculative” form. Students are led to consider education as a kind of market transaction by means of which they can gain the skills and certifications needed to enter the workforce; hence as an “investment” that will pay off once they land the lucrative job for which they train. Scholars, on the other hand, are also urged to embrace the market logic by positioning themselves as “entrepreneurs” whose success is measured by a quantitative appraisal of their research output and by their capacity to secure competitive funding. Both students and scholars are thus pushed to

<sup>5</sup> The right-wing Goldwater Institute noted in 2010 that: “Between 1993 and 2007, the number of full-time administrators per 100 students at America’s leading universities grew by 39 percent, while the number of employees engaged in teaching, research or service only grew by 18 percent. Inflation-adjusted spending on administration per student increased by 61 percent during the same period, while instructional spending per student rose 39 percent.” Jay P. Greene, “Administrative Bloat at American Universities: the Real Reason for High Costs in Higher Education,” *Policy Report*, Goldwater Institute, no. 239, August 27th, 2010, p. 1.

develop a speculative relationship to knowledge as their use and/or production of which now appears essential to the maximization of their life chances on the job market.

While it operates at the level of institutional norms and procedures, the strategic rationality of the “knowledge economy” thus translates into specific subjective dispositions that “perform” its inner logic. The “speculative logic” here described corresponds to the rise of a new, calculative kind of academic ethos that derives its thrust from the mostly economic expectations that come to be invested in the very activity of studying or doing research. Such dispositions are of course ideal-typical. Exceptions and resistances abound. Yet, by modifying the ‘incentives structure’ if not the value system that shape the daily experience of students and scholars alike, the institutional transformations introduced by this strategic rationality also tend to induce parallel changes in the behaviour of those whose life gravitates around academic institutions; changes that amplify in return the conversion of the latter into market actors and the reduction of knowledge to its mere exchange value.

Students are to play a decisive role in enforcing on universities the kind of market discipline that is supposed to improve their performance as organizations as well as their contribution to the national economy. Such was indeed the project set forth by Lord Browne in his 2010 report to the British government,<sup>6</sup> which has deeply influenced the wholesale transformation of public funding to academic institutions in England, and which has been the harbinger of similar trends that have since taken roots in other countries as well. Acknowledging the need for universities to access new resources in order to better compete at the international level, Lord Browne ruled out however the idea of increasing the share of government-allocated funds, since it was deemed “unfair” to the taxpayers who might not have benefitted themselves from a university education.

The main idea here is that, although a better trained workforce is essential to the competitiveness of the country as a whole, the benefits of a university education mostly accrue to the private individual. Students being but wage-earners in waiting, they have to choose among institutions of higher learning which one presents the most profitable option, that is, the programs that offer the best prospects for their future careers. In doing so, it is they who will provide the institutions with these much needed additional resources, by paying tuition fees, and their choosing thus functions as a market signal that universities have to follow so as to attract the students’ money, by working hard to improve the “quality” and appeal of their educative and “experiential” offer. Deregulating tuition fees, as Lord Browne proposed – which led in effect to their trebling in 2010 – was in essence a means of amplifying this market signal, which effectively transforms students into “clients”

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<sup>6</sup> John Browne, *Securing a Sustainable Future for Higher Education*, Independent Review of Higher Education Funding & Student Finance, 2010.

whose rational and calculative purchase decisions are to act as a selection mechanism to separate deserving, competitive, “world class” universities, from poorly performing and irrelevant ones soon to be rooted out by systematic underfunding.

Of course, increasing tuition fees threefold had to have an adverse effect on students’ motivation to undertake university studies. Lord Browne acknowledged that but maintained nevertheless that a diploma remained a “good investment”. A widespread idea holds that university graduates earn a considerable wage “premium” over their non-graduate peers, a figure that one former British Education Minister put at no less than £400,000 over the course of one’s working life.<sup>7</sup> The prospect of earning such a premium should outweigh the deterrent effect of increased cost, and besides, students should have the possibility to borrow the money they need to study. Just like any cunning financial speculator, students should learn to take advantage of the “leverage effect” of borrowing, which allows investors to magnify their gains by borrowing several times their own initial capital, thus multiplying the size of their investment and increasing their potential returns.

Lord Browne proposed a student finance scheme that would allow students to start repaying their loans only once their income would reach a certain threshold, and praised this formula for being “risk free” for students. A risk free investment promising considerable returns sounds like a deal that students could hardly refuse. At any rate, English students are now the most heavily indebted among anglophone countries.<sup>8</sup> Yet, notwithstanding national differences in terms of student loan conditions, the strategic reasoning behind the piling up of student debt worldwide is the same. Students are called upon to act like “leveraged investor subjects”<sup>9</sup> who gamble on the convertibility of their acquired “human capital” into future financial earnings, which is of course dependent on the unpredictable economic conjuncture in which they will find themselves once they graduate and on their capacity to find the jobs they will need to pay off their debts in an ever more “flexible” and precarious market.

Credit is always but an advance on future income and borrowing a wager on one’s capacity to repay.<sup>10</sup> Considering that university studies are presented as an almost mandatory entry ticket on the job market, or at least, as a condition for climbing up the economic ladder (and

<sup>7</sup> For a critique of this figure and of the reasoning behind it, see Stephen Kemp-King, *The Graduate Premium: Manna, Myth or Plain Mis-selling?*, London, The Intergenerational Foundation, 2016.

<sup>8</sup> Philip Kirby, “Degrees of Debt; Funding and Finance for Undergraduates in Anglophone Countries,” The Sutton Trust, April 2016, pp. 12-13.

<sup>9</sup> Paul Langley, “Debt, Discipline and Government: Foreclosure and Forbearance in the Subprime Mortgage Crisis,” *Environment and Planning A*, Vol. 41, n° 6, 2009, pp. 1404-1419. Langley applies this concept to homeowners, but it is certainly relevant to understand the subjective aspects of student debt as well. Homeownership and university degrees are hallmarks of middle-class status, and both rely on debt.

<sup>10</sup> Alex Gourevitch, “Debt, Freedom, and Inequality,” *Philosophical Topics*, Vol. 40, no. 1, 2012, pp. 135-151; p. 142 ; see also Gustav Peebles, “The Anthropology of Credit and Debt,” *Annual Review of Anthropology*, Vol. 39, 2010, pp. 225-240; p. 227.

accumulating other assets – e.g. real estate – by means of more leveraging debts), one might add that student loans function as an instrument for the disciplining of labour, since the pressure to repay makes graduates utterly dependent on their salary and thus tied up with their employers, much like the peonage system of old. In that sense, the speculative logic with which students are led to engage in their studies infuses higher education with a “spirit of indenture”.<sup>11</sup>

Often heavily indebted themselves, early career scholars, on the other hand, also participate in the entrenchment of a speculative logic inside academic institutions, by transforming themselves into “niche entrepreneurs” competing for teaching gigs, research grants, claims of expertise, and citations counts, in the hope of landing one day the ever-more elusive tenure-track appointment. This “rent-seeking” or entrepreneurial spirit fits perfectly into the costs optimization strategies that the managerial university, confronted with budgetary uncertainties due to austerity measures, fluctuating enrolment and real estate debt commitments, aims to implement. Administrators have figured out that the core mission of the university could be outsourced, thus saving considerable sums for more profitable endeavours. The unprecedented share of casual labour on university campuses – 73% of all academic instructors in the US are now contingent faculty,<sup>12</sup> and figures are similar in other countries as well – is reflective of a trend that has become deeply internalized by younger scholars. In spite of their vocational ideal – that is, as the word *vocation* indicates in French, their “calling” – the academic world now appears, like any market, as an unforgiving survival game, in which “performance”, as measured by a variety of indicators from student evaluation surveys to “impact factors”, is key.

“Human capital” in the case of scholars takes the form of “expertise”. Scholars have to find a niche and invest it with all their enterprising skills so as to be able to claim that they are experts in their field. Ascertaining expertise has little to do with the actual qualitative value of one’s research, however, but everything to do with the quantifiable aspects of one’s productivity as a researcher. Much has been said about the “publish or perish” dogma, and yet, although most scholars are perfectly aware of the considerable waste it generates (accounts vary as to the actual average readership of scientific articles, but it is largely agreed that it is abysmally low, a great many articles being never read let alone cited), publication metrics remain the only tangible way of “evaluating” the scientific output of

<sup>11</sup> Jeffrey Williams, “Student Debt and the Spirit of Indenture,” *Dissent*, Fall 2008, pp. 73-78. See also Jeffrey Williams, “The Pedagogy of Debt,” *College Literature*, Vol. 33, n° 4, 2006, pp. 155-169 ; Morgan Adamson, “The Financialization of Student Life: Five Propositions on Student Debt,” *Polygraph*, n° 21, 2009, pp. 97-110.

<sup>12</sup> American Association of University Professors, “Status of the Academic Labor Force, 2013,” <https://www.aaup.org/sites/default/files/Status-2013.pdf>.

researchers.<sup>13</sup> Scholars are thus incentivized to behave like Weber's "specialists without spirits", by both narrowing down their research topics and outstretching their results so as to maximize the number of articles they can yield, instead of engaging in a time-consuming – and probably presumptuous – quest for polymathesis.

Speculating on the publishing yield of one's research – which sometimes leads to questionable ethical behaviour in reporting results, or which makes intellectual wandering and indecisive soul-searching a catastrophic waste of time – feeds into this other speculative operation, which here again consists in converting "human capital" into actual, hard cash by securing competitive research grants. Here, the logic of scientific "credibility" merges with that of financial credit, understood as one's capacity to raise capital so as to further one's unlimited accumulation of publications. As attested by the multiplication of unwaged positions,<sup>14</sup> precarious scholars now often have to fund their own research work, which entails dedicating a considerable amount of their activity not to doing actual research, but rather to developing and applying their "grantsmanship". In any case, the capacity to attract funding appears more and more as a critical asset in hiring decisions. Scholars thus have to continually justify their existence in order to glean whatever targeted grants they can find, in a never ending cycle of applications writing. The morality of debt here plays out as an obligation to repay in kind, by providing "creditors" – that is, society as represented by funding bodies – with the technical innovations or the problem-solving data they seek to obtain. In this utilitarian view, research that does not contribute to the governing of complex economies and is not readily applicable can hardly be deemed viable, when proof of its value is calculated only in monetary signs.

Unless a scholar was a shrewd student-investor in his or her youth, and lucky or far-sighted enough to attend the top-ranked universities that churn out the vast majority of future professors,<sup>15</sup> his or her chances of ever securing stable employment are hopelessly dim, unless he or she sticks to a rigorous and calculative discipline so as to keep adding new lines to his or her C.V. "Human capital", as a prerequisite for employment, is arguably more taxing in the academia than in any other professional field. Such is the paradox of the "knowledge economy" that in spite of the strategic value that science is meant to have for developed societies, those who are supposed to produce it are subjected to a mounting pressure that is proportional to their increasingly precarious economic conditions. Be it because they are still motivated by an idealistic calling for the life of the mind, which makes

<sup>13</sup> The pressure to improve such metrics thereby contributes to the extraordinary boon of the publishing industry, which cashes in on the free labour of writers and reviewers and on the huge subscription costs they impose on libraries.

<sup>14</sup> See, for instance, Kirsten Forkert and Ana Lopes, "Unwaged Posts in UK Universities: Controversies and Campaigns," *triple C*, Vol. 13, no. 2, 2015, pp. 533-553.

<sup>15</sup> Aaron Clauset, Samuel Arbesman and Daniel B. Larremore, "Systematic inequality and hierarchy in faculty hiring networks," *Science Advances*, Vol. 1, no. 1, 2015, pp. 1-6.



them utterly docile casual labourers, or because they seek in academic life a form of symbolic recognition that compensates for the lack of actual compensation for their work, scholars succumb to a speculative logic that has little left to do with intellectual speculation. In that sense, the “knowledge economy” amounts to the destruction of the conditions of possibility for knowledge itself.

### 3. Concluding Remarks

What do we criticize exactly when we bemoan the rise of the “corporate university”? In keeping with the “accumulation by dispossession” thesis,<sup>16</sup> the tendency is to treat the university as the merely passive object of capitalist attacks, with alien economic interests encroaching on its traditional autonomy and threatening academic freedom. A creeping colonization of academic space would allow capitalist forces to subvert the production and transmission of knowledge. Meanwhile, all scholars and students could do is witness powerlessly the ongoing transformation of their institutional environment, or, at best, protest it in sporadic fits of resistance. However valid, this view is perhaps reductive. Maybe the critique of the “corporate university” would be more solid if it also took into account the following point of method: the neoliberal reforms targeting the university do not merely consist in the importation of an external economic logic inside academia. They rather enact the strategic integration of the university within the rationality of financialized, cognitive capitalism. The transformation of the university mirrors that of capitalism itself, for which knowledge has become a primordial source of valorization. Value, however, does not mean material or monetary worth exclusively. Value should rather be understood as the determination of the very meaning of scholarly activity.

The academic community often likes to think of itself as being dedicated to the disinterested quest for knowledge and learning, hence its being foreign to any profit logic whatsoever. Yet, the neoliberal rationality introduces in academic life a new, calculative ethos, for which knowledge only matters so long as it is instrumental to the accumulation and future convertibility of “human capital”. In their daily practices, and often against their better judgement, students and scholars alike are thus led to speculate on the value of their own activity, that is, to calculate the odds that knowledge, skills and expertise will one day pay off in terms of jobs, status and income stream. Debt plays a strategic role in this regard, as it forces one to calculate the costs and benefits of one’s relation to knowledge, since it conditions one’s future capacity to pay back. In the “knowledge economy”, then, knowledge not only has economic or monetary value. It also becomes an object of *speculation*, and it

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<sup>16</sup> David Harvey, “The ‘New’ Imperialism: Accumulation by Dispossession,” *Socialist Register*, Vol. 40, 2004, pp. 63-87, see esp. p. 75.



weighs as such on the orientation of our conducts as scholars, researchers, teachers and students, thereby contributing to the transformation of our institutions.

Knowledge, as Foucault argued, is indissociable from power, and their enmeshment determines who we are to become as subjects. The transformation of the university is but the reflection of parallel changes in the form and significance of knowledge. As capitalist powers take over the university, we also become, as subjects of knowledge, both products and producers of a new rationality that permeates the very meaning and value of what we do. If there is a struggle around the meaning and value of knowledge today, we, as scholars and students, are not so much soldiers in that war. We are the battlefield.

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**Author contact:** [jfbissonnette@u-paris10.fr](mailto:jfbissonnette@u-paris10.fr) and [chr.laval@wanadoo.fr](mailto:chr.laval@wanadoo.fr)

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## Neoliberalism in the Academy: Dispatch from a Public University in Colorado

**Sasha Breger Bush, Lucy Ware McGuffey and Tony Robinson**  
University of Colorado Denver, USA

### Abstract

Neoliberalism's influence in higher education is broad and deep. We focus on three interrelated dynamics, all manifestations of neoliberalization in higher education: labor flexibilization, bureaucratization, and corporatization. Through these channels, neoliberalization is impacting the nature and quality of the education that our students receive, as well as the academic freedom, professional respect, and quality of life we enjoy as professors.

Giving flesh to this analysis, we pepper the discussion with personal insights based on our own experiences teaching together at a public higher education institution. We three authors perform different duties and roles in the same department. One of us demoted herself from the tenure-track two decades ago in order to focus on teaching, and finds herself just as distracted from her students today as she was then. Following many years of contingent appointments and sporadic unemployment, one of us just recently obtained a tenure-track position, a "promotion" that has actually undermined her teaching and her research in unexpected ways. Finally, one of us is a reluctant manager, a department chair who longs to support the creative innovations of department faculty, but who labors constantly under an increasingly heavy burden of administrative oversight and reporting.

**Keywords:** neoliberalism, higher education, academia, labor flexibility, bureaucracy, corporatization

### Introduction

While many conversations about the neoliberalization of higher education focus on the important issue of contingent (adjunct) faculty, we argue here that neoliberalism's influence in higher education is broader and deeper than this. We focus on three interrelated dynamics, all manifestations of neoliberalization in higher education: labor flexibilization, bureaucratization, and corporatization. Through these channels neoliberalization is impacting the nature and quality of the education that our students receive, as well as the academic freedom, professional respect, and quality of life we enjoy as professors.

Giving flesh to this analysis, we pepper the discussion with personal insights and anecdotes based on our own experiences teaching together at a public higher education institution. We three authors perform different duties and roles in the same department. One of us demoted herself from the tenure-track two decades ago in order to focus on teaching, and finds herself just as distracted from her students today as she was then. Following many years of contingent appointments and sporadic unemployment, one of us just recently obtained a

tenure-track position, a “promotion” that has actually undermined her teaching and her research in unexpected ways. Finally, one of us is a reluctant manager, a department chair who longs to support the creative innovations of department faculty, but who labors constantly under an increasingly heavy burden of administrative oversight and reporting.

We do not intend here to criticize any individual person, nor to critique our particular institution, which each of us finds to be a supportive environment, even when faculty deliver critiques such as in this paper. Rather, the critique we present focuses on the ways in which neoliberal rationality is shaping structures, values, and relationships across the academy. Neoliberal logic is systemic and exerts disciplinary pressures such that any one of us, regardless of intention, may further its impact. In this sense, our 'dispatch' is a cautionary tale, a call to awareness to all to eschew neoliberalism's disciplinary power.

### **Labor Market Flexibilization**

A central feature of the global neoliberal political-economic order since the 1970s is the drive among employers to cut costs to increase “efficiency.” A major channel through which this pressure has been brought to bear on workers is through the complex process of “labor market flexibilization.” The International Labor Organization (ILO) notes that labor market flexibilization “is constructed in opposition to labour ‘rigidities’ such as protective labour legislation, collective bargaining agreements and codified regular employment.” In many cases supported by complementary government legislation, labor flexibility is pursued by employers looking for ways to better adjust their labor forces according to organizational needs, as well as “lower their labour costs” and “increase labour productivity” (ILO, 2003, 1; see also, e.g., Stiglitz, 2003; Rodrik, 1997; Dicken, 2011; Blossfeld et. al., 2008). The concept of labor market flexibility goes a long way towards explaining the difficulties many academics in the U.S. face as workers.

Concretely, workers in a more flexible labor market may experience any number of consequences. Wages may be lower and more volatile, and non-wage compensation less generous. Workers may also have less employment security, and have to deal with unemployment and/or underemployment pressures. This may be because their employer lays off workers when market conditions change, or because the employer comes to prefer temporary or part-time workers. The workers who remain may experience a ratcheting up of employer productivity expectations (i.e. “work intensification”<sup>1</sup>), and a related increase in employee productivity evaluations and assessments. They may also face resistance if they try to unionize. Workers in flexible labor markets may also enjoy fewer and/or less generous

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<sup>1</sup> Either by increasing the number of tasks expected of employees or by shortening the time available to complete them.

policy protections (e.g. policies regarding minimum, overtime and severance pay; welfare protections; rights to unionize; employment benefits; and, workplace safety). Finally, flexible labor markets are highly competitive ones, with workers' jobs seemingly under constant threat (e.g. from the "reserve army" of unemployed and underemployed workers, or subcontractors at home or abroad).

For anyone who has spent even a short time in academia over the past several decades, most if not all of the difficulties noted above will be familiar. They perhaps come into sharpest focus in the context of adjunct labor, and the related decline of tenure and tenure-track positions. Chomsky notes, "imposing 'flexibility of labor'...translates into such measures as undermining longer-term commitments to faculty and relying on cheap and easily exploitable temporary labor (adjuncts, graduate students)" (2016). The majority (70%) of faculty positions today are both part-time and off the tenure track (AAUP, 2016, 13). While they are difficult to pin down exactly, median wages for adjuncts in the US in 2013 are estimated at about \$2700 per class, with annual salaries amounting to roughly \$20,000-\$25,000 (McKenna, 2015). In parallel, colleges and universities in the US have been abandoning their long-term faculty commitments. Over the last forty years, the share of the academic labor force holding full-time positions with tenure has declined 26%, and there has been a 50% decrease in the share of those holding full-time positions on the tenure-track (AAUP, 2016, 13).

*My dissertation advisor told me that she had "low grade depression" all throughout graduate school. Mine lasted longer. I got my Ph.D. in 2009. I had secured a visiting assistant professor (VAP) job that paid well and had good benefits the year before, right before the recession hit. I commuted almost two hours each way to get to that small liberal arts college and was laid off the year after I graduated. I took unemployment benefits for a while. I applied to lots of jobs. The next year I was offered and picked up classes at this same college two hours away where I had been a VAP, but this time as an adjunct making a few thousand dollars a class, with no benefits. They said they couldn't afford to keep me on full-time. I applied to lots more jobs. I picked up more adjunct work at another institution in 2011, and this turned into a contracted, "at will" one-year instructor position for the following two years. I finally obtained a tenure-track position in 2014, after spending five years getting rejected by the job market; I competed against hundreds of other applicants for the job.*

But the adjunct labor crisis is only one manifestation of a broader movement toward more flexible academic labor markets, a trend that impacts academic workers in a variety of different ways. As another example, as universities have moved to expand enrollments and services while cutting positions and transitioning parts of their workforce to part-time, academic work has intensified. Burgess and Strachan note: "Work intensification is rife in universities under the umbrella of flexibility. Longer teaching hours, more students and

more research output are required without an increase in salaries" (1996, 30). Gill agrees: "Increasingly, academics are finding that they are unable to get the work done in a 'normal working week' and have to work evenings, weekends, and late into the night. Not surprisingly the most common response to the punishing intensification of work is to work harder and longer: getting up early, going to bed late" (2013, 21; see also Davies and Bansel 2005). Hiring and promotion criteria are rising; there are more and bigger classes to teach; demand for research output seems insatiable; and, there are always more committees that need staffing. Not to mention that all of this must be documented, reviewed and assessed with an increasingly onerous stream of paperwork (matters that my colleagues will address in some detail below).

*Now in my third year on the tenure-track, I'm constantly calculating, constantly strategizing about passing performance reviews and getting tenure. I find these calculations stressful and exhausting, and they make me disappointed in myself. I feel that I'm betraying what my job should be about, that is, teaching students and critically engaging in public dialogue about important world events. Instead: Will this article count for tenure? Should I postpone submitting it until after the New Year so that it will count on next year's performance evaluation? Will writing this popular piece for a great magazine distract me too much from academic journal article writing? Have I already developed enough new courses for the tenure committee? I could really use that prep time for other stuff. Should I even try to co-teach with my colleague in another department? Will that help me get "excellence" in teaching? Should I hold one more office hour during the week for my students? Nah. I already have close to enough student letters for my file. And I have so much other work to do.*

Researchers are starting to connect the insecurity, stress and pressure that results for academic workers from labor market flexibilization to mental health disorders like depression. A 2003 study of Australian academics revealed that the rate of mental illness among academic staff was three to four times higher than in the general population, and was highly correlated with "objective measures of university well-being" including "staff-student ratios" and "recent cuts in staffing levels" (Winefield et. al., 2003). Recent research in the UK indicates that "nearly half of academics show symptoms of psychological distress," attributing recent increases in mental health issues like depression and eating disorders to "greater job insecurity, constant demand for results and an increasingly marketised higher education system" (Shaw and Ward 2014). In the US, where rigorous studies of academic mental health are few and far between, a 2014 study found that while all faculty experience stress, stress (as well as anxiety and depression) among non-tenure track faculty is positively and significantly correlated with the insecurity associated with being "contingent" (Reevy and Deason 2014).

Academic labor has been more deeply commodified and cheapened by the process of labor market flexibilization. Academic workers are an increasingly overworked, underpaid,



stressed out and dejected bunch, with large costs for the students we teach and the communities we more broadly serve.

### **Bureaucratization**

*Each February as I fill out my annual evaluation report, I muse on the course of my career. Twenty years ago I decided to “demote” myself from a tenure-track position to an instructorship so that I could focus on teaching. The final straw occurred when a student appeared asking for assistance and I replied that I couldn’t because I was doing the paperwork for a teaching-excellence award—an essential step in the promotion process. The irony was too acute to ignore. Advancement in the profession required that I spend time satisfying bureaucratic norms; the fact that teaching could or should be a vocation involving an ethical commitment seemed ignored. But with the neoliberalization of the academy, the irony has reemerged: to continue in my vocation, I must now expend energy on the same bureaucratic processes I had intentionally eschewed. Education has become about efficiency, regulation, and monitoring, with images of recalcitrant students and faculty justifying administrative micro-management.*

As critics generally argue (Brown, 2015; Etienne Balibar, 2014; Peck, 2010), neoliberalism is mode of organizing economic activity as well as a “governing rationality that disseminates market values and metrics to every sphere of life and construes the human itself exclusively as homo oeconomicus” (Brown, 2015, 176). According to the logic of marketization and commodification, education is an instrumental good to facilitate the growth of human capital, wealth accumulation, and technological innovation rather than a means to advance the common good and democracy. The justification offered by the 1946 President’s Commission Higher Education for federal support of the academy now seems radically arcane. “It is an investment in social welfare, better living standards, better health, and less crime. It is an investment in a bulwark against garbled information, half-truths and untruths, against ignorance and intolerance. It is an investment in human talent, better human relationships, democracy and peace” (Quoted in Brown, 2015, 187). Today, we live in a “post-truth” society in which the grounds of truth-claims reflect one’s preferred beliefs; education is merely a tool for individual advancement and economic growth. That it might also be an intrinsic good encouraging the cultivation of the intellectual, creative, and deliberative capacities appears an irrelevant ideal. We also live in a society undergoing increasing bureaucratization, which according to the standard definition entails an impersonal hierarchy that manages through rules imposed from the top and reliance on expertise and specialization. From a Foucauldian perspective, this mode of governance enables the dissemination of market rationality through disciplinary power that rewards modes of acting and relating which conform to the exigencies of efficiency and control (Foucault, 2000).



The bureaucratization of higher education manifests this rationality. If self-interest is the motivator of *homo oeconomicus*, then we cannot merely assume that students will study and faculty teach without being motivated by external incentives and administrative monitoring. Both parties must live within the tension between a pedagogy of consumption (classes should offer consumer satisfaction, including high grades) and charges of grade inflation (students must be hierarchically ranked) – a tension that quantification is reputed to resolve. Syllabi should specify the points earned in every phase of the learning process; and students should be able to access at any moment their standing in the class. The syllabi in turn are the subject of bureaucratic scrutiny and ranking. Courses should conform to formal rubrics that govern teaching style and modes of evaluation in order to ensure homogeneity and control. Whether the development of critical thinking, analytical depth, and ethical reflection can actually be quantitatively measured remains an unaddressed question, as does the possibility that each teacher may have unique ways of creating a class environment in which learning can creatively take place. Within a neoliberal frame, contingent faculty receive particularly acute inspection because they are the primary instructors yet have the least institutional standing and support. While all come under neoliberal disciplinary power, those denied employment security are the most vulnerable to its exigencies on the grounds that their status testifies to qualification deficiencies. Rarely considered is the real possibility that they have chosen their status based on moral and professional considerations.

*I had an interesting exchange with a dean who, while genuinely committed to higher education, argued that contingent faculty should have a more rigorous probationary status than their tenure-tracked peers because the former had primary responsibility for instruction. When I noted the irony that they also had less status, power in governance, and salary, while being more significant to the educational process, he had the graciousness to concede the point, though without altering the policy.*

Faculty and students also live within the contradictory pressures of student retention and the dictates of efficiency. Increased reliance on technology means replacing face-to-face meetings with online advising. Transfer credits and degree audits supposedly simplify and routinize, but often leave students confused and anxious. Lacking adequate funding and staff, writing centers tend to focus on assisting those already possessing basic argumentative skills rather than on those who, requiring more substantive help, appear to be less productive investments in human capital. Because faculty lack both the time and expertise to step into the ensuing pedagogical gap, first-generation students and those with learning disabilities may leave the academy not realizing that the failures are systemic, not personal. Studies show that retention entails creating substantive relationships, with faculty whose doors and minds are open, who are willing and able to engage with students inside and outside of class. But standards of efficiency and assessment promote closed doors and minds as tenure-track faculty attempt to satisfy publishing requirements and contingent faculty

have too many courses and students to provide individualized support. Neoliberalism may meet the demands of wealth accumulation, but its rationality distorts the mission of the university: the development of individuals' talents, the fostering of analytical skills and ethical reflection, and the promotion of (greater) societal equality to sustain the actualization of human rights. As the statement by the 1946 President's Commission on Higher Education indicates, that distortion, in turn, impairs the functioning of the larger society. Democracy entails citizens who can critically reflect upon and deliberate respectfully together about the common good, who accept plurality and diversity, and who, recognizing their mutual interdependency, can work for equality and justice. By reducing all social goods to commodities, neoliberalism strips them and life itself of intrinsic meaning and value, thus rendering those who do not produce 'sufficient' human capital devoid of worth—disposable lives.

### Corporatization

*Following a multi-year effort to unite faculty in our College around defining and assessing achievement of college-wide learning objectives, several faculty in my department were recently asked to submit syllabi to a college curriculum review committee. This committee reviewed syllabi to determine whether: college policies were enunciated, assignments and due dates were clear, learning objectives were adequately advertised, assignments matched learning objectives, assessment strategies were appropriate, the course was adequately rigorous, and there was a clear presentation of content and methodology of the discipline. Syllabi were scored by this committee as either "passing," "vague/needing revision," or "suspended" – meaning the course could no longer be offered as part of the college core. Only one of the four syllabi submitted by our faculty passed this review, though each faculty member had more than twenty years of teaching experience. Syllabi were returned to the department chair (myself), with a note from the vice-chancellor, urging chairs to work with faculty to revise syllabi, in order "to maintain the high quality of our general-education curriculum, ensure that all Core courses in this area adhere to the Knowledge Area Standards for approval, and make sure that there is reasonable consistency across the diverse courses that fulfil the same Core Area."*

"Corporatization" has been a powerful force reshaping higher education (Raaper and Olssen, 2016; Schultz, 2015; Donoghue, 2008; Champagne, 2007; Davies, 2005). This trend undermines the university as a community of professional faculty, trusted with broad freedoms to foster habits of critical thinking, humanistic understanding, and reflective praxis among students, and instead promotes the university as a training ground for measurable and job-relevant skills, taught by a faculty in need of surveillance systems and assessment practices to insure their best behavior. Amid the neoliberal celebration of business values (entrepreneurialism, efficiency, assessment, accountability), and in line with influential "new public management" theory (Tolofari, 2005), the university is increasingly

seen as offering marketable products that will surely be improved if they are better defined, measured, and advertised to student-consumers, following the required use of a battery of performance indicators, assessment rubrics and accountability tools by faculty (Raaper, 2016; Raaper and Olssen, 2016; Bennett and Brady, 2014; MacDonald, et. al., 2014; Jankowski and Provezis, 2012; Donoghue, 2008; Davies, Gottsche and Bansel, 2006).

Political demand for assessment, as reflected in Bush-era Congressional Hearings on “Assuring Quality and Accountability in Postsecondary Education” and the White House Spellings Report of 2005, have increased pressure for assessment practices in higher education (Bennett and Brady, 2014). So too have a host of institutional projects such as the American College and Universities’ VALUE-Plus project (Champagne 2011). It can all be described as an “Assessment Industrial Complex” (Bennet and Brady, 2014, 152), complete with a growing coterie of professional assessment consultants and seemingly irresistible pressures to constantly conduct strategic planning, develop performance indicators, define learning objectives, and utilize assessment practices (Raaper, 2016).

There is little support among faculty for these growing administrative demands. Studies from Davies, Gottsche and Bansel (2006), Bennett and Brady (2014), Macdonald, et. al. (2014), Hussey and Smith (2008), and Champagne (2011) have all found that faculty overwhelmingly find typical assessment practices to be alienating, irrelevant to learning, unproductively time-consuming, and unable to measure the value of quality teaching. Champagne (2011, 15) concludes that faculty mostly see these assessment practices as a “dog and pony show,” generating easy-to-digest, rubric-scored reports, but irrelevant to improvement of teaching. Efforts to define and measure learning outcomes seem especially dysfunctional in the humanities, where faculty focus on such elusive to measure concepts as the notion of truth, the philosophy of art, the gendering of knowledge, the depth of one’s ignorance, or the value of “learning not to be at home in one’s home” (p. 10).

*All faculty in my department are critical of rubric-driven assessment as counter-productively time-consuming, without adding value to the teaching enhancement strategies that faculty already rely upon – namely, their professional training and experience, together with pedagogical discussion and brainstorming sessions with their colleagues. In presenting each year’s new strategic planning initiative, or teaching enhancement task force, or outcomes assessment tools, to our faculty, therefore, my role as Chair is mostly manager of discontent and strategizer of how to best meet administrative demands for assessment reports without making disruptive time-demands on the professional teaching efforts already happening within our department.*

*And what time demands they can be! Just the most recent learning objectives/assessment initiative that emerged at our college required several half-day workshops to discuss the initiative, hours of*

*committee time to develop the assessment policy, hours of college and departmental effort to develop, implement, and assess learning objectives, training sessions with specialists on how to implement assessment, submission of annual assessment reports, review of reports by college administration, and “closing the loop” through departmental response to administrative feedback. And of course that initiative overlapped with a demanding host of other college-required strategic prioritization efforts, annual departmental assessment reports, annual Chair’s self-assessment reports, a year-long departmental self-study, and annual reports on implementation of self-study recommendations. Confronted with all these required self-studies, prioritizations, and assessment efforts, I am asked as Chair to somehow secure compliance by requiring already time-burdened faculty (many of whom are contingent and underpaid) to master and implement new assessment strategies, ultimately requiring them “to engage in further uncompensated or poorly compensated labor for dubious purposes” (Bennett and Brady, 2014, 151).*

In addition to demanding endless paperwork and assuming unlimited faculty time, the “assessment industrial complex” inevitably conveys a lack of respect for the professionalism of faculty when corporate strategies of micro-management are imposed from above. Constant pressures to surveil, audit, and micro-manage faculty syllabi and teaching practices to “align” them with university-approved learning objectives reflect a climate of distrust in which ever-increasing accountability is needed to guarantee teaching quality. In this situation, “trust in professional values and practices [is] no longer the basis of the relationship” (Davies, Gottsche and Bansel, 2006; see also Davies, 2003). The notion that faculty are trained professionals, with intrinsic motivation to perform well, and possessed of unique and individual expertise regarding what works in their own classroom, is inevitably degraded with assumptions that faculty will inevitably avoid hard work or engage in sloppy teaching if not constantly monitored and assessed. In this way university neoliberalization is an “ongoing system of deprofessionalization” in which administrators do not trust existing training and intrinsic skills and motivation of faculty to result in quality teaching. Rather trust is put in a host of “quasi-market criteria like audits, appraisals, performance and incentive targets” (Raaper and Olsen, 2016, 22). In this way, a “regime of rationality” (Foucault, 1980) unfolds that requires adherence to standardized learning objectives enunciated in university-approved boilerplate, submission of long-existing syllabi to committees for possible suspension, and use of rubric-driven performance reports that most faculty believe are irrelevant to their real work.

Foucault has described the process by which academics (and others) can be shaped into manageable and “docile subjects” (Foucault 1975, 136) through such rationality regimes. Through everyday participation in the discourse of codification, surveillance and assessment, faculty become defined by a practice “that transforms the fundamental purposes of university and academic work” (Raaper, 2016, 187). In such a rationality regime,

the idea of the university as a space for creative disruption, an alternative to the market, or a locus for exotic imagination and radical possibilities, is undermined as it cannot be defined or measured through the assessment community's search for "stable, uniform entities that can be continuously compared to each other and evaluated" (p. 183).

This rationality regime shapes faculty subjectivity in ways that fit nicely with the demands of neo-liberal governance, partly by consuming so much of a faculty member's limited time, "filling in grids and gathering statistics" (Davies, Gottsche and Bansel, 2006, 315). "You are spending 90% of your effort at regulating the system and only 10% of it actually doing anything," claims one social scientist (p. 315). This kind of time-consumption has consequences. As Davies, Gottsche and Bansel (2006, 316) argue, "the talk that informs critique and the development of a counter-discourse takes time—time that no one any longer has...The imperatives of the practices through which academic subjects are governed have turned away from the intellectual work of critique and innovation towards managing workloads and meeting the terms of workplace agreements."

*I am chair of a department with a wonderful diversity of teaching strategies and intellectual commitments. One scholar travels with students to global sites of indigenous struggle, ranging from sovereignty movements in Nicaragua to the Dakota Access Pipeline—and mentors students through their transformed personal and civic identities that accompany such travel. Another professor partners with grass-roots groups to perform organic theater, telling the story of marginalized communities through spoken word, requiring students to express political understandings through art, and creatively unnerving students by putting them in unusual circumstances. I personally engage students in walking tours of homeless communities, culminating in discussion sessions over shared meals with our homeless neighbors, discussions that rarely stick to assigned readings.*

*None of us believe that the most important learning that happens in these scenarios can possibly be captured by the rubrics of the learning assessment regime. In such a situation, it is frustrating that so much of our faculty time is increasingly absorbed by tasks meant to manage and report on learning objectives. Like Champagne (2011, 5) I have found that "during my tenure as chair of a [Political Science] program...I was somehow supposed to transform my discipline from a site of struggle, disagreement and contestation to a coherent, agreed upon and measurable set of learning outcomes." Such a troubling task fits perfectly with the increasing corporatization of university life, but does not reflect the highest calling of university teaching that many of us were called to. We may be able to rationally define and measure some elements of teaching and learning, but in our obsession to prioritize such measurement, we are confronted with the venerable insights of Max Weber regarding what kind of personality such a process may unfortunately engender: "Specialists without spirit, sensualists without heart" (Weber, 2010 [1905], 182).*



## Conclusions

Neoliberalism's impact in higher education has been broad and deep. Academic labor market flexibilization has eroded quality of life for academic workers by making life more precarious, stressful, demoralizing and financially insecure. Bureaucratization has brutally intensified faculty and staff workloads, redirecting time away from teaching and towards the litany of mundane processes, procedures and paperwork required under increasingly rigid systems for management and control. Corporatization has rendered higher education a consumer product, subjecting the academy to the banal demands and cold quantifications required by the marketplace.

Our intertwined narratives show that many of the measures justified in higher education for their contributions to "efficiency" are in reality quite wasteful. Beautiful minds are abused and wasted by neoliberalism's assault on the academic labor market. Time that could be spent with students or on important research is wasted on endless paperwork and meetings. Money that could be spent on better wages and conditions for adjuncts and improving instruction is diverted into new administrative positions, strategic planning initiatives and third party consultants. Our spirits are wasted by stress, anxiety, depression and the creeping feeling that we are no longer providing the meaningful and vital public service that we should be providing.

Further, neoliberalization has been a powerful force for social discipline. Intellectual freedom and political voice are curtailed when faculty have little time to think and write. Public intellectualism is eroded when the public communication it depends upon does not count for tenure. The corporate model of higher education further conditions "student-consumers" to see their education not as a platform for political empowerment and civic participation, but as preparation for working life. Their scientifically managed college experience is training for the similar "rationality regimes" of codification and assessment they will confront later as professionals.

As such, neoliberalization in higher education is undermining American democracy. The stupefying work that occupies more and more of our time prevents us from the infinitely more important task of safeguarding democracy, truth and respect for all people. The academy is the place where questions of intrinsic meaning and existential value should be critically explored. Those of us who are privileged to teach may have an ethical obligation to resist neoliberal rationality for the sake of serving our vocation and our students with integrity, and creating alternative modes of sociality (Giroux 2002; Mettler 2014, and Butler 2015). And we may find hope in the possibility that the life of the mind, substantive reason,

ethical relationships, and democracy actually enrich human lives and so are intrinsic goods that persons will seek to preserve.

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**Author contacts:** [Sasha.Breger@ucdenver.edu](mailto:Sasha.Breger@ucdenver.edu), [Lucy.McGuffey@ucdenver.edu](mailto:Lucy.McGuffey@ucdenver.edu) and [Tony.Robinson@ucdenver.edu](mailto:Tony.Robinson@ucdenver.edu)

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## Undoing the Neoliberal Higher Education System? Student Protests and the Bachelet Reforms in Chile

**César Guzmán-Concha**

Center for Social Movement Studies, Scuola Normale Superiore, Florence, Italy

### Abstract

This article focuses on the education reforms of the current government of Michelle Bachelet (Chile, 2014-2018) triggered by the large student protests of 2011 – the “Chilean winter” – and the overwhelming support of the public for the movement’s demands. The students’ main demands included free education and a greater involvement of the state in education. The parties of the centre-left alliance, then the opposition, embraced these demands and promised broad educational reforms including free post-secondary education. After the center-left coalition (Nueva Mayoría, New Majority) won the presidential election it introduced three major education bills: the “short law” of free education, the creation of two new public universities and fifteen Centers of Technical Formation, and the reform of higher education’s regulatory framework (still under discussion in parliament). While these bills are aimed at increasing the state’s role in higher education, they fall far short of the students’ aspirations. In fact, as implemented the bill have consolidated a mixed public-private higher education model resting on a vision of post-secondary education as a marketplace in which institutions compete for students, subsidies and funding. The conclusion discusses the inherent limitations of these reforms, especially how the weakness of the welfare coalition made it impossible to transform the students’ demands into sustainable higher education policy.

### Introduction

President Michelle Bachelet (2014-2018) announced ambitious educational reforms, modifying the principles and functioning of the system at all levels (pre-primary, primary, secondary and higher education). During the 2013 presidential campaign of 2013, left and right candidates promised substantial education reforms. Evelyn Matthei led the right-wing ruling coalition that favoured eliminating co-payments in schools, but opposed extending free education to higher education and especially not to students from high income households. Michelle Bachelet, in contrast, adopted a social-democratic stance. In her acceptance speech candidate (Bachelet, May 2013) she asserted Chile’s main social problem was inequality in its various expressions: income, wealth, access to educational services, healthcare, pensions and in the opportunity to enjoy cultural goods and services. She proposed putting the education, tax and constitutional reforms at the forefront of her administration’s actions. M. Bachelet’s campaign created expectations that her administration would undo the neoliberal bases of the university system, becoming the most reformist government in Chile since the restoration of democracy (1990). This expectation was grounded in the presidential programme, which included a tough criticism of previous

administrations, and the broadening of the left coalition to include the Communist Party as well as smaller left parties into the New Majority (*Nueva Mayoría*, NM).

Bachelet was elected with a significant plurality with respect to Ms. Matthei and the NM received the largest parliamentary majority for the centre-left since 1990. These electoral victories seemed to assure smooth sailing for her policy proposals.

The centrality of education during the 2013 election reflects the importance the public attaches to educational reform. This, we believe, is a consequence of continuous protests by secondary and university students. Student unions had been significant actors in Chilean society at many points in the twentieth century. Important political leaders from the left and the right started their careers as student organizers. Since the large student protests of 2006 (Donoso 2013 calls this the “Penguins’ revolution”) citizens have become even more concerned about Chile’s educational problems. Survey data confirms the growing relevance of education in public opinion (Centro de Estudios Públicos 2016).

Students questioned the principles that had governed the education system since the dictatorship (subsidiarity, privatization, decentralization) and demanded comprehensive reforms including free university education (Fleet and Guzman-Concha, 2006) and the abolition of co-payment and tuition fees became one of the main demands of the student movement. Bachelet’s first administration (2006-2010) responded to the “Penguins’ revolution” by enacting a new constitutional law of education (Ley General de Educación, LGE) to replace a Pinochet era rule. Students were far from satisfied.

In 2011 they took to the streets and mobilized under the motto “*for public, quality and free education for all*”. This turned the largest and most significant episode of social unrest in nearly three decades. Student unions mobilized to denounce problems of indebtedness, access to and quality of tertiary education, in a country with one of the highest tuition fees levels worldwide (OECD, 2014, p. 263). In sum, the protest cycle between the “Penguins’ revolution” (2006) and the “Chilean winter” (2011) galvanized public opinion to insist on profound education. This triggered series of political reactions. The centre-left opposition saw the 2013 elections as an opportunity to return to power.

M. Bachelet’s government<sup>1</sup> introduced three major education policies: the “short law” of free education, the creation of two new public universities and 15 Centres of Technical Formation, and the reform of the regulatory framework of higher education (still under discussion in 2017). While some of these changes aim to increase state responsibility for higher education, they are a far cry from the demands of the students. The so-called “short

<sup>1</sup> The policy proposals for primary and secondary education fall outside the scope of this piece.

law” makes education free for students from the five poorest income deciles. This change removes an historically pervasive barrier of access to university, and prevents heavy students’ indebtedness. However, this benefit is means-tested (not universal), and its delivery mechanism supports the private sector. Moreover, it’s uncertain whether and when this subsidy will reach more beneficiaries. The recent creation of two state-owned universities (plus 15 Centres of Technical Formation, which provides vocational training) represents the first expansion of the public sector in higher education in three decades. Finally, the proposed changes to the university regulatory framework would create a network of public universities to foster collaboration and strengthen the sub-sector, while limiting indirect profit-extraction. Vice-chancellors and student unions have strongly criticized the draft as it doesn’t modify the distribution of roles within the system and doesn’t substantively expand the public sector. Additionally, the Bachelet reforms haven’t considered closing or replacing the State-Guaranteed Student Loan (CAE), which benefits private universities by supporting a higher education market competition. Increases in state-owned university budgets dampens the worst effects of severe and historic underfunding, but doesn’t challenge the principle of financing students and not institutions – the principle instituted in the 1980s that is now entrenched in Chilean higher education. Bachelet’s education reforms were limited can by her government’s inability to establishing a muscular welfare coalition. Indeed, Bachelet’s center-left alliance missed the opportunity to align the interests of student unions and the middle and lower-middle classes (free education has a direct impact in the disposable income of these families, and prevents heavy indebtedness of the young), with the goals of the government. This failure compromised the future of further reforms.

### **The Chilean Higher Education System**

The higher education system in Chile can be characterised as a market-driven, mixed system, in which the role of state-owned universities has declined over the last three decades. There are three types of institutions. First are the state-owned, public universities. Next there are private universities created by the law before 1981. And third there are private universities created after 1981. This landscape is the result of Pinochet era changes including the 1981 General Law of Universities and the 1989 Constitutional Law of Teaching (LOCE).

The General Law of Universities liberalised the higher education sector to allow private providers. At the same time, Pinochet abolished unconditional public funding for universities and replaced it with the principle of self-funding universities which necessitated the imposition of tuition and fees. The regional seats of the two state universities were transformed in 14 small independent universities to combat the strong politicization of

campuses and weaken the state universities. Each public university received a new charter which granted greater autonomy, even though governance remained highly hierarchized and concentrated in the hands of non-elected vice-chancellors and boards of directors. Of critical importance was stripping the civil service status from academic personnel and this gave universities leeway in establishing their own remuneration schemes. LOCE, in turn, established minimum standards for all education providers and appointed a special agency (*Consejo Superior de Educación*) for accreditation. LOCE insisted that all universities must be not-for-profit institutions, unlike other tertiary institutions (professional institutes, IPs, and centres of technical formation, CFTs), which were not subject to this rule.

These reforms amped up the pressure to create a marketplace of universities: state-owned universities competed for public funding just like the private ones, while the state (mainly) subsidized students but not institutions. It's no surprise that the number of universities soared. Before 1981 there were eight universities (two state owned and six privates with access to public funding). In 1990 there were 40 private universities, and 22 of them received public funding (and a total number of 303 higher education institutions).<sup>2</sup> In 1990 enrolment at public institutions had fallen to 29% of total tertiary enrolments and 50% of university enrolment.

With the restoration of democracy, new governments recognized the academic freedom and accepted the mixed shape of the system leaving its basic structure untouched, with self-financing, subsidiarity, and family's expenditures as the main sources of income. The government reformed the loan system in 1994 creating the University Credit Solidarity Fund (*Fondo Solidario de Crédito Universitario*, FSCU), which was available only for students enrolled in universities of the first and second type described above (also called "traditional" universities, as opposed to those created after 1981, the private sector). The FSCU is a public loan that finances tuition with a 2% interest rate, repayments start two years after graduation, and payments limited to 5% of the total annual income. The traditional universities were granted new lines of revenue in the 1990s, and these were extended to the private sector in the 2000s. These new funds are received after competitive public tenders governed by a logic of performance-based budgeting. From 2010 to 2014 under President Pinera, the participation of private universities in these schemes grew significantly. For example, private universities received 50% of the Institutional Development Fund (*Fondo de Desarrollo Institucional*, FDI) (Contraloría, 2015, p. 58). The FDI has continued its rapid growth doubling from 2012-2017 (CENDA 2017).

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<sup>2</sup> Professional Institutes (Institutos Profesionales, IPs) and Centres of Technical Formation (Centros de Formación Técnica, CFTs) provide vocational and technical training in education programmes that last one to three years, and have been traditionally considered components of the higher education system. Before 2013, all these institutions were private and were allowed by law to be for-profit companies.



Despite fostering a mixed public/private higher education system, the state has a policy of non-discrimination between institutions. Student aid schemes are the instrument used to achieve this goal. In the 1990s, under 20% of the higher education budget was open to any type of university, with 25% allocated to student aid (FSCU and other scholarships).<sup>3</sup> These proportions started to change in the 2000s. The milestone in this process occurred in 2006 with the creation of the state-guaranteed loan (Crédito con Aval del Estado, CAE). Set up during M. Bachelet's first term, CAE extended loans to students enrolled in private institutions. Policy-makers assumed the state wouldn't finance these loans, so they convinced the banks to become lenders with the state as intermediary and guarantor. To dispel the risk of non-repayment and make the loans commercially viable, a double guarantor system with the state as final underwriter was instituted. The interest rate was set at an average 5.8% (lowered to 2% after the 2011 protests). CAE spread very rapidly, and by 2010 it was the largest student lender in the country (216,126 students) with the most public resources (55.4% of the total financial aid). By contrast, the FSCU (for students in 'traditional' universities) amounted to only 14.3% of total financial aid. Overall, between 1990 and 2010 student aid grew 18 times (Rodríguez, 2012).

According to its original design, CAE wouldn't reduce funds flowing to public institutions. In practice however, it has transferred resources from the state to private universities and banks over the last decade. The mechanisms created to ensure that banks would participate in the scheme – repurchasing and imposing surcharges on loans – have redirected public resources to private uses. Between 2006 and 2015 the state has disbursed \$2.01 billion in repurchase agreements and loan surcharges, which represents 51% of the total amount of CAE loans in the period (CENDA, 2016).

The scheme favoured many universities suspected of using illegal mechanisms to make profits (World Bank, 2011; Kremerman and Paez, 2016). Moreover, CAE's expansion has further undermined public university enrolment. Between 2005 and 2015 enrolment in public universities fell from 26% to 15% of total enrolment, while private universities grew from 74% to 85% over the same period. CAE is the fastest growing aid program of the last years (CENDA, 2016).

Despite increasing public expenditure through student aid and other funds (e.g. FDI, MECESUP, others), a recent study that compared 50 advanced and emerging economies found that in Chile, families and students play an unusually strong role in higher education expenditure. Chile's gross domestic expenditure in research and development is the lowest

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<sup>3</sup> In 2000, 12% of the total budget was open to all institutions, and 25% was allocated to student aid. Ten years earlier, these proportions were very similar (18% and 25%, respectively)



in the OECD (0.39% of GDP in 2015), while expenditures for tertiary education (US\$ 7,880 per student in 2013) remains one of the lowest of the group (OECD, 2014).

The growth of the system and an international consensus that Chile has a “market friendly” higher education sector has attracted foreign education firms like Laureate and Sek. Laureate, for example, owns three universities and two professional institutes, with a total enrolment of 172,000 students (more than 10% of enrolment in tertiary education in 2016). Laureate must comply with the Chilean law that forbids for-profit activities. Yet in 2015 the conglomerate reported US 536M in profit to the SEC (Laureate, 2015). Reports of the World Bank (2011) and Kremerman and Páez (2016) show that six groups of private institutions collect more than 60% of CAE subsidies: Santo Tomás University, IP and CFT; Laureate Group; DUOC IP (a subsidiary of the Catholic University of Santiago); Universidad Tecnológica INACAP, University San Sebastián and Universidad Autónoma de Chile.

### **The Bachelet’s Reforms**

Since Ms Bachelet second term (March 2014) parliament’s passed three additional higher education proposals. First is the provisional administrator bill (2014).<sup>4</sup> Next is the free education act (2015). And finally we have the creation of new universities and CFTs (2015). Additionally, in 2016, the government disclosed the content of its proposal for regulating the universities (it is expected that parliament should approve a definite law during 2017).

The free education act was approved in parliament in December 2015 after the Constitutional Court contested the first draft. The proposal consisted of three annotations to the 2016 Budget Act –which is why it was named “short law” of free education. The first annotation established free university education for students enrolled in public universities from the five poorest income deciles. Students enrolled in non-public universities that were accredited for at least 4 years and whose controllers are not-for-profit legal entities also enjoy free education. The second annotation establishes a fund of \$ 5,000 million to help state universities improve quality and secure accreditation. The third annotation established increments in the New Millennium scholarship (from \$500,000 to \$750,000) for students from the five poorest income deciles enrolled in not-for profit CFTs and IPs. The Budget Act of 2017 extends free education to students enrolled in accredited CFTs and IPs. In its first year (2016), nearly 130,000 students have enjoyed the short-law.

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<sup>4</sup> The provisional administrator bill was a piece of legislation that allows the government to intervene universities in crisis or bankruptcy. Its need was apparent in 2012, when the Universidad del Mar faced a serious institutional and financial breakdown that led to its closure. Right after its approval, the government appointed a provisional administrator in the University ARCIS (private) in 2014.

The fact that the funds required to implement free higher education were tied to the Budget Act, rather than a stand-alone revenue stream, makes it vulnerable to change or outright rejection annually when parliament negotiates the budget. The “short law” reveals the government’s difficulties designing a comprehensive education funding proposal. The few annotations to the budget avoided the creation of a new regulatory framework which would have required politically charged negotiations within the governing coalition on a controversial issue.

Students criticized the free education bill because it allowed public money to flow to private universities. This provision that was introduced after 31 right-wing MPs initiated judicial action against the government’s proposal. The court accepted the MPs’ argument that excluding private institutions constituted discrimination against low income students who enrolled in them. Students also questioned the timing of the bill, arguing that a new regulatory framework needed to be in place before free education legislation could be produced. Students and political commentators agreed that the president herself sped up the process because she saw that passage of the short law version of the free education bill could reverse her historically low approval ratings.

The “short law” removes tackles two major shortcomings of the Chilean higher education system by lowering barriers to access to university, while preventing heavy student indebtedness. However, the means tested benefit works as a voucher as institutions receive public subsidies based on student enrolment preferences. With private sector higher education accounting for 85% of total enrolment this works to further legitimize the disproportionate size of the private sector. Moreover, it’s uncertain whether and when this subsidy will be extended to the totality of students.<sup>5</sup>

In August 2015, Bachelet signed the act creating two new regional public universities (Ley 20.842) in O’Higgins and Aysén, the only two regions that had not previously had a public university. In September that year, the President appointed their vice-chancellors, whose first tasks included developing strategic plans and opening the actual campuses. These universities are expected to receive their first students in 2017. Then in March 2016 15 Bachelet established 15 Centers of Technical Formation one for each region (Ley 20.910). The CFTs will work closely with the regional universities and to promote decentralization their main seats will be in the second largest regional city. The CFTs will not charge tuition and to ensure quality they will have to be accredited. The CFTs in the Maule and Araucanía regions

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<sup>5</sup> Additional problems of this bill include the fact that the subsidy lasts only for the official duration of study programs (while the actual duration is usually longer), plus the fact that the insufficient regulation of tuition fees levels might incentivize underfunded universities to increase tuition for those students not covered by the free education act.

will appoint principals in 2017 while all fifteen CFTs are expected to be fully operational by 2021.

This is the first expansion of public higher education in three decades and is the **first** time since 1947 that the state created new universities. However absent complementary policies expanding already existing public universities these new public institutions are not likely to stop the decline of enrolment in public institutions in the short to medium term.

In July 2016 the government issued preliminary legislation to regulate the university sector. The education commission of the lower chamber is still debating this as I write (Feb 2017). The draft proposes a System of Higher Education with the sub-secretary of higher education playing a leading role within the Ministry of Education. The Superintendent of Higher Education is charged with the mission of auditing and supervising the system while the Council for Quality will promote quality through accreditation processes. The draft proposes a National Council of Technical and Professional Education whose members will include employer associations, trade unions, CFTs and IPs and government representatives. Additionally, to foster collaboration and minimize competition, the draft creates a network of public universities all of which must be accredited. Should state institutions fail to achieve accreditation the government will appoint provisional administrators. The proposed Unified Admission System differentiates between universities, CFTs and IPs, downplays the standardized (PSU) admission test while raising the importance of other variables (like students' class rank). The draft proposes free education for students under tightly defined circumstances. Students receiving free tuition must meet the following criteria: their families must be in the bottom 60% of the income distribution, they must attend not for profit institutions with 4 years of accreditation, they must be fully enrolled, the university must participate in the Unified System of Admission, and at least 20% of the university's enrolment must include students from the poorest 40% of households.

The proposal establishes minimum standards in enrolment diversity, expands the coverage of the current "short-law" of free education (to 2018), regulates tuition fees levels for institutions that join the Unified System of Admission and the state will establish tuition levels in consultation with a permanent commission of experts. Additionally, the proposal sets tougher standards to ensure that institutions comply with the prohibition on profit making. The draft also announces a state-led, national network of institutions of vocational training, working in close alignment with economic and regional needs. The incorporation of alternative mechanisms of admission (student ranking, special programmes) is supposed to contribute to the socioeconomic diversity of the student bodies. The draft also calls for university Senate comprised of both students and at least two thirds of academics.

Despite these regulations, the proposal reinforces both the size and status of the private sector by ensuring public funding for private institutions in exchange for their compliance with further regulations. Public institutions, in turn, must compete with the former for students and other subsidies. CAE is not abolished and noncompliant institutions can still enrol loan recipients. No special subsidies are set aside for the public state institutions. The draft proposes the gradual replacement of direct public subsidies for state universities with other subsidies for research and development which are open to all institutions that adhere to the gratuity standards. While greater control may ensure that the institutions are non-for-profit entities, the fact that profit making activity in the higher education sector is not defined as a crime shows continued tolerance for higher education profit making. The Council of State Universities (CUECH) also complain that there is no national plan for the development of state universities similar to the proposed national plans for the public CFTs and IPs. State universities also point to the low level of resources, sustainability, governance and legal flexibility of the announced network of state universities (CUECH, 2016). CUECH believes these reforms perpetuate the principle of financing students, rather than institutions. This is clearly a neoliberal principle as it holds students responsible for the cost of their education because the acquired university credentials increase their future incomes.

Probably one of the most debated issues of the proposal concerns the mechanisms to advance full gratuity. The website of the Ministry of Education states that the system will move towards *“the coverage of all students according to the evolution of the economic conditions of the country, established as a percentage of fiscal incomes (structural incomes) in relation to the total production of the country (trend GDP)”*. Considering this formula, it has been estimated that Chile could extend free education to all students in some 30 to 50 years. Today’s students unions are not happy with this.

## Conclusions

After promising a departure from the marketplace model that has prevailed in Chile since the 1980s, the administration of Michelle Bachelet (2014-2018) initiated a series of changes in the Chilean higher education system. This sector has indeed experienced more legislative attention during this government than in it had at any since the military government. However, the approved reforms and the bills disclosed so far include shortcomings and omissions that cast doubts on Bachelet’s programme. Despite a significant majority in parliament for parties that allegedly supported a profound reform of the system, and a broad consensus around these ideas in public opinion, actual educational reforms don’t match either expectations or campaign promises. Why?

In his seminal work, Gosta Esping-Andersen (1990:1) explained that “the history of political class coalitions [is] the most decisive cause of welfare state variations”. The power resources theory explains the development of universalistic and de-commodified social rights as a function of the emergence and consolidation of welfare coalitions between class based labour unions and left-wing political parties. (Esping-Andersen 1990, Korpi and Palme 2003) The lack of such coalitions—weak labour unions and/or feeble or divided left-wing parties—facilitates the development of more individualistic institutions that allow market relations to colonize wide social domains.

Clear political majorities and broad societal consensus are necessary components of welfare coalitions. But political majorities must sustain themselves over time, and social consensus should emerge to support organizations that defend and mobilize constituencies when their interests are under threat. Moreover, a longer term perspective is required to properly assess the extent and direction of change. In Chile, there is strong support for greater state involvement in education and the New Majority claimed its political platform could achieve their realization. In practice, however, the NM has exhibited lack of cohesion around goals and instruments.

On several occasions the Christian Democratic Party (one of the major partners in the alliance) has spoken against the government’s policy proposals. In 2014 for example, the CDP party leader declared that his party “*was not in the picture of the Ministry of Education*”. Influential MPs in the governing alliance often express opinions that are closer to those of the private lobbies than of the student unions or public-university leaders. Indeed, the president herself has been reluctant to exercise her prerogatives as head of government and leader of the New Majority. Scandals, political corruption and illegal campaign financing swirling around her inner circle have further undermined her leadership and popularity. Numerous surveys show that as the president’s popularity falls, so too does the popularity of the education reforms. Finally, the right-wing opposition has mobilized associations of private schools, parents and the media to defend the right of families to make economic contributions to semi-private schools while strongly opposing universal free public higher education, and – surprising – even some members of the governing alliance agree with that position. The higher education debacle can thus be laid at the feet of the governing coalition as it failed to cement parliamentary forces in favour of its own ideas, while the opposition has effectively neutralized aspects of the original policy platform. Other opponents of the Bachelet platform, e.g., the Catholic Church, the association of private universities, the Catholic University of Santiago, associations of parents and right-wing student unions and the media have mobilized all the means at their disposal, including the constitutional court.

The Constitutional Court ruled against the government's Free Education Bill. In opposition to the original draft, the court forced the government in December 2015 to extend the benefit to students enrolled in private universities. The Constitutional Court aligned with the right-wing minority. This defeat confirmed the court's preferences for private institutions and reaffirmed its counter-majoritarian nature.

From the outset student organizations have doubted both the intentions and capacity of the government to enact its programme. Although CONFECH and the major student federations haven't taken to the streets in numbers similar to those of 2011 they remain influential in public debates. The media are especially attentive to their opinions. After a small group of former activists calling themselves Revolución Democrática announced that they would leave the government in 2016, the ties of the New Majority to the active forces of the student movement were reduced to the youth section of the Communist Party. This withdrawal was important for its symbolism: it showed the students' disillusion with Bachelet's second government which had been welcomed as such an opportunity. Similarly, chancellors of public universities, education experts, and intellectuals sympathetic to the government, have increasingly distanced themselves from its proposals. These developments left the government isolated, unable to rally support for its most important policy proposals.

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**Author contacts:** [cesarguz@gmail.com](mailto:cesarguz@gmail.com)

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## The Corporization of a Public University with Free Undergraduate Education: Endangering Autonomy at the University of Buenos Aires

**Cecilia Rikap**

Consejo Nacional de Investigaciones Científicas y Técnicas, Argentina. University of Buenos Aires, Argentina; *Centre of Economics of University Paris Nord, University Paris 13, France*

### 1. Introduction

The University of Buenos Aires (UBA) is the biggest university in Argentina, both in terms of students (262,932 undergraduate and 14,441 postgraduate students, according to the UBA's 2011 Students' Census, latest available)<sup>1</sup> and faculty (28,232, according to the UBA's 2011 Faculty's Census, latest available). Considering national research indicators and the UBA's tradition, it has been placed as Argentina's flagship university (García de Fanelli, 2007). Four out of the five Nobel prizes won by Argentina corresponded to UBA's professors. Moreover, in 2014 it ranked second among Latin American institutions in the Shanghai World Universities Ranking, and first according to the 2015 QS World Universities Ranking.

In this article we will argue that, despite offering free undergraduate education, the UBA has become a market university. As all the other public universities in Argentina, the UBA offers free undergraduate education in all its faculties. Maybe this is why this university has not called the attention of the economic literature when analysing the development of what has been called the academic enterprise (Larsen, 2011), the academic capitalism (Slaughter and Leslie, 1997), the market-university (Berman, 2011) or the entrepreneurial university (Etzkowitz, 2008; Etzkowitz et al., 1998). This transformation not only affected its autonomy, orienting teaching and research, but it has also reduced the UBA's researchers time to perform new or creative research encouraging faculty to sell technical assistances and other routine activities.

In order to analyse the UBA's transformation into a market university, the article will be organized as follows. Section 2 will briefly present our theoretical framework. Section 3 will deal with the UBA's budget constraints between 1998 and 2012 and with the general

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<sup>1</sup> Argentinean Universities' Statistical Yearbooks show higher figures because of methodological differences when defining a student. As enrollment for an undergraduate degree in a National University is open to every person with a high school degree, enrollment figures tend to overestimate the real quantity of students attending to classes. Hence, the UBA's census are more accurate for undergraduate figures.

argument that this has been the decisive reason why the UBA accepted to get its own resources from market exchanges. Section 4 will explain the UBA's main market sales: internships, postgraduate education and technical assistances. Finally, we will discuss how the UBA's transformation into a market university affected teaching and research autonomy in Section 5.

## **2. The rise of higher education and research commodification**

There are different but complementary approaches for critically analysing neoliberal transformations over higher education and academic research. They all share the idea that by adopting commercial or corporate characteristics, the university is endangering its main teaching and research functions.

Among these scholars, Slaughter and Leslie (1997) called this process the generation of an Academic Capitalism, which resulted from the confluence of big corporations' needs and universities' budgetary needs. Under Academic Capitalism, researchers from public universities act as if they were capitalists; like entrepreneurs with a public subsidy. They also argue that these academics' job is resembling more and more to researchers' job in private enterprises.

This process has been also called the commodification of higher education and research, or the creation of a market university (Berman, 2011; Castro-Martínez and Sutz, 2011; Harari-Kermadec, 2013; Harvie, 2000; Mowery, 2005; Pestre, 2003; Sotiris, 2012). A clear sign of the ongoing transformations in higher education has been tuition and fees increases in different countries. Considering the research dimension, a main concern is the abandonment of public or open science production, privatizing research results (Pestre, 2003). According to Vallas and Kleinman (2008) many universities have transformed the production of knowledge into a business, copying behaviours that were originally associated to private enterprises.

Other critical authors concentrated on the consequences of intellectual property rights (Coriat, 2012; Coriat and Weinstein, 2011; Orsi, 2002; Orsi and Moatti, 2001). Florida and Cohen (1999) coined the term "secrecy problem" to define the tension between strong intellectual property legislations (and other mechanisms that delay disclosure), and public access to scientific results.

In this scenario, Larsen (2011), who has called this emerging university the academic enterprise, referred to how universities' agenda is being reoriented towards commercial activities. This risk was initially summarized as the dilemma between devoting to basic science or to more applied investigations (Florida and Cohen, 1999). Larsen (2011)

reformulates it as the dilemma between academic and commercially oriented research, regardless of its basic or applied degree. Different academics add that the university's autonomy to orient its research may be eroded when actors from outside influence its agenda. Private companies provide resources for research of their interest and the State decides its support according to its own priorities (Castro-Martínez and Sutz, 2011; Furstenbach, 1993; Kleinman and Vallas, 2001; Pavlidis, 2012; Slaughter and Leslie, 1997).

Summing up, university's commodification is a threat for its autonomy, in particular for its freedom to teach and do research as well as for its students to choose and play an active role in their education, instead of being customers using an already packed economic good (Rikap, 2016, chap. 10). Hence, studying this process is central both for its academic and political implications. Nevertheless, in countries like Argentina, where undergraduate higher education is free and research is not the universities' main activity (only 33% of total faculty in National Universities<sup>2</sup> have a part-time or full-time research contract with their corresponding university), the commodification process has been overlooked, remaining a blind spot of the literature. In this article we propose to deepen into the UBA's transformations towards a corporation<sup>3</sup> contributing to fill that blind spot.

### 3. From Budget Constraints to the Corporization of the UBA

Until the end of the '80s the collaborations between National Universities, especially the UBA, and private enterprises were kept in secret and seriously condemned by public opinion, and specially by the academic community (Naidorf, 2006). Since then, legal transformations allowed and encouraged commodification. The 23,560 law limited free education to undergraduate degrees and authorized National Universities to find own resources<sup>4</sup> through market exchanges. The UBA adopted those changes in 1987 by its 1655/87 Superior Council's Resolution.

In 1992, the 23,877 law allowed full-time researchers from public institutions to earn extra when they collaborate with private enterprises. In the UBA, the 1025/64 resolution, which emphasized that external collaborations endangered its autonomy, was replaced by the 1195/87 resolution that encouraged private sponsorship of research.

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<sup>2</sup> In Argentina, public universities can be national or provincial universities. National Universities receive national block grants while the provincial ones receive provincial block grants. Anyway, by 2012 there was only one provincial university.

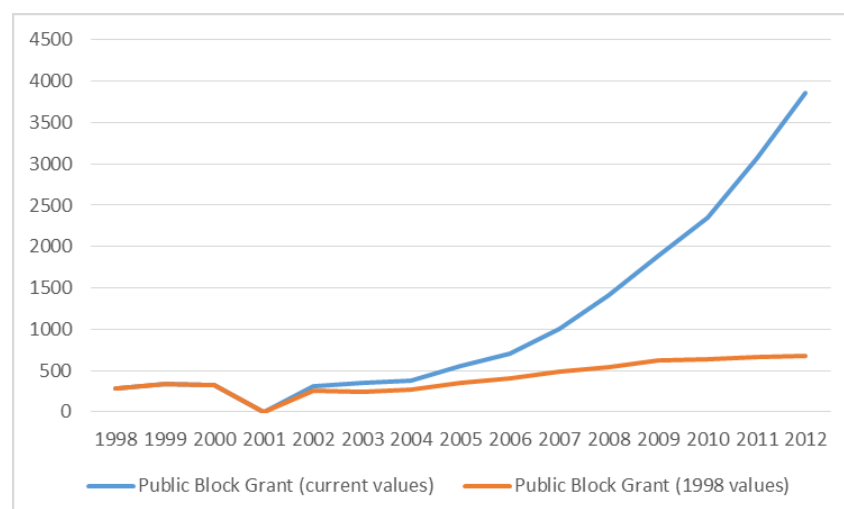
<sup>3</sup> The notion of corporization includes the vast variety of market exchanges and behavioural transformations in the UBA, which is why we prefer it over alternative concepts even though we use them whenever we find them enlightening.

<sup>4</sup> The term "own resources" was coined to refer to the revenues gathered by a National University besides block or competitive public grants.

In this context, the literature agrees that a reduced public budget explain why National Universities collaborate with private enterprises (García de Fanelli, 1993; Llomovatte, 2006; Vega et al., 2011). However, by analysing the UBA's block grants and own resources, we will show, in line with Slaughter and Leslie (1997), that even if insufficient public budget encouraged the acceptance of commodification, this process cannot be unilaterally explained by budgetary needs as it should also consider corporations' needs.

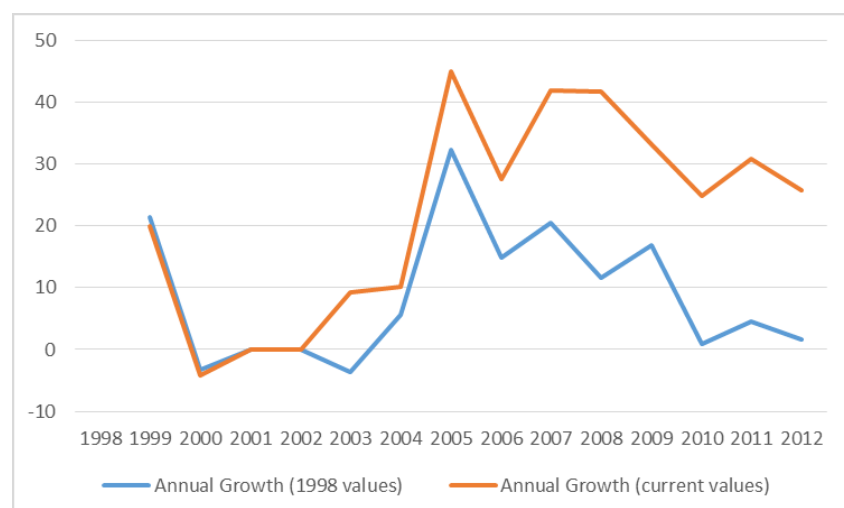
Considering data availability, we studied the UBA's public block grants and own resources series between 1998 and 2012, in current and in 1998 values bearing in mind the Argentinean inflationary process (Graphs 1 to 4). Some figures are missing due to the 2001 Argentinean crisis.

**Graph 1.** The UBA's Public Block Grant (in Argentinean million pesos)



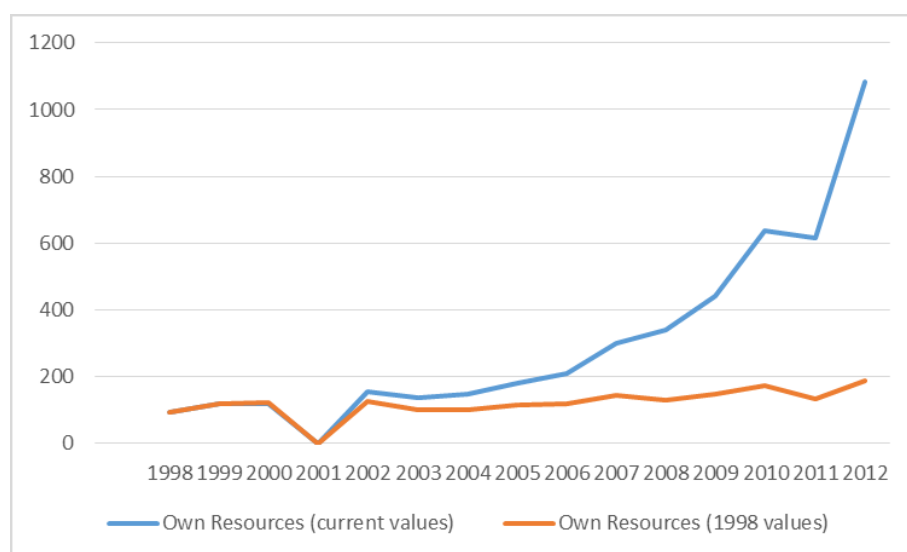
Source: compiled from Argentinean Universities' Statistical Yearbooks

**Graph 2.** The UBA's Public Block Grant Annual Growth (percentage)



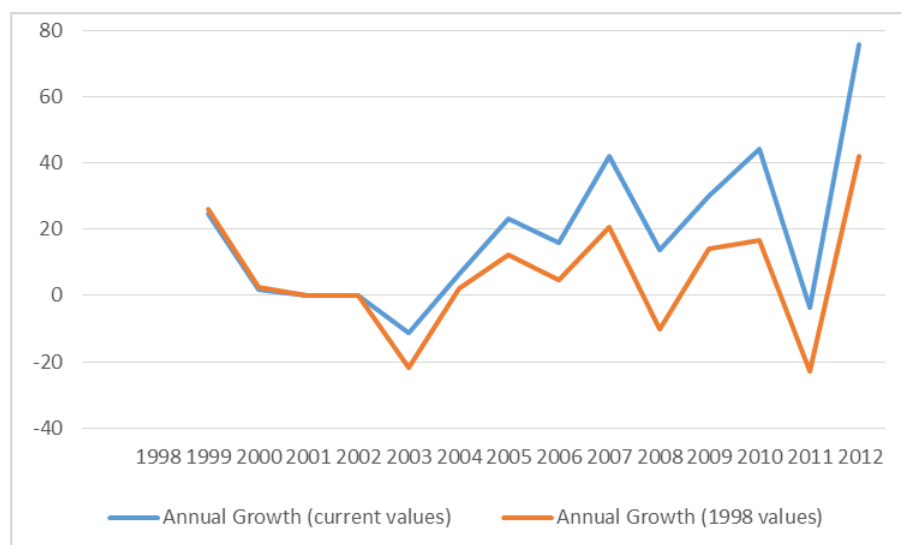
Source: compiled from Argentinean Universities' Statistical Yearbooks

**Graph 3.** The UBA's Own Resources (in Argentinean million pesos)



Source: compiled from Argentinean Universities' Statistical Yearbooks.

**Graph 4.** The UBA's Own Resources Annual Growth



Source: compiled from Argentinean Universities' Statistical Yearbooks.

Both series show an increase in real terms during the analysed period. Actually, between 1998 and 2012 the UBA's block grants increased 143%, with only a 6% of students increased between 2000 and 2011 (Universidad de Buenos Aires, 2011a).<sup>5</sup> Its own resources doubled in the same period. In 2012, the UBA's own resources represented 28% of its block grant.

<sup>5</sup> Figures show a bump in enrollment during and after the 2001 Argentinean crisis leading to a 17% of increase in total students' population between 2000 and 2004 (Universidad de Buenos Aires, 2011a), followed by a progressive decline since 2006.



If we disaggregate public block grants and own resources figures we may argue that both funding sources complement each other. Actually, public block grants for National Universities have already assigned functions. In the case of the UBA, more than 90% corresponds to the wages of faculty teaching in the undergraduate degree and administrative staff, and approximately 1% funds research.<sup>6</sup>

Among the research funding, faculty's full-time and part-time research positions could also be considered. Nevertheless, they only represent 16% of all faculty (Universidad de Buenos Aires, 2011b). In fact, Rikap (2015) showed a progressive split between teaching and research activity in the UBA explaining that a reduced group of faculty performs research, accepting the global "publish or perish" and "apply or die" criteria. Hence, even considering research positions, as research is still a small proportion of the UBA's public block grant, we may anticipate constraints in its capacity to develop autonomous investigations.

Furthermore, if our proposed explanation of complementing budgets is accurate, the UBA's own resources should be mostly funding research, graduate education, operating costs and infrastructure. At the same time, by studying the importance of different types of own resources we will evaluate their consequences for teaching and research.

#### **4. What is the UBA Selling?**

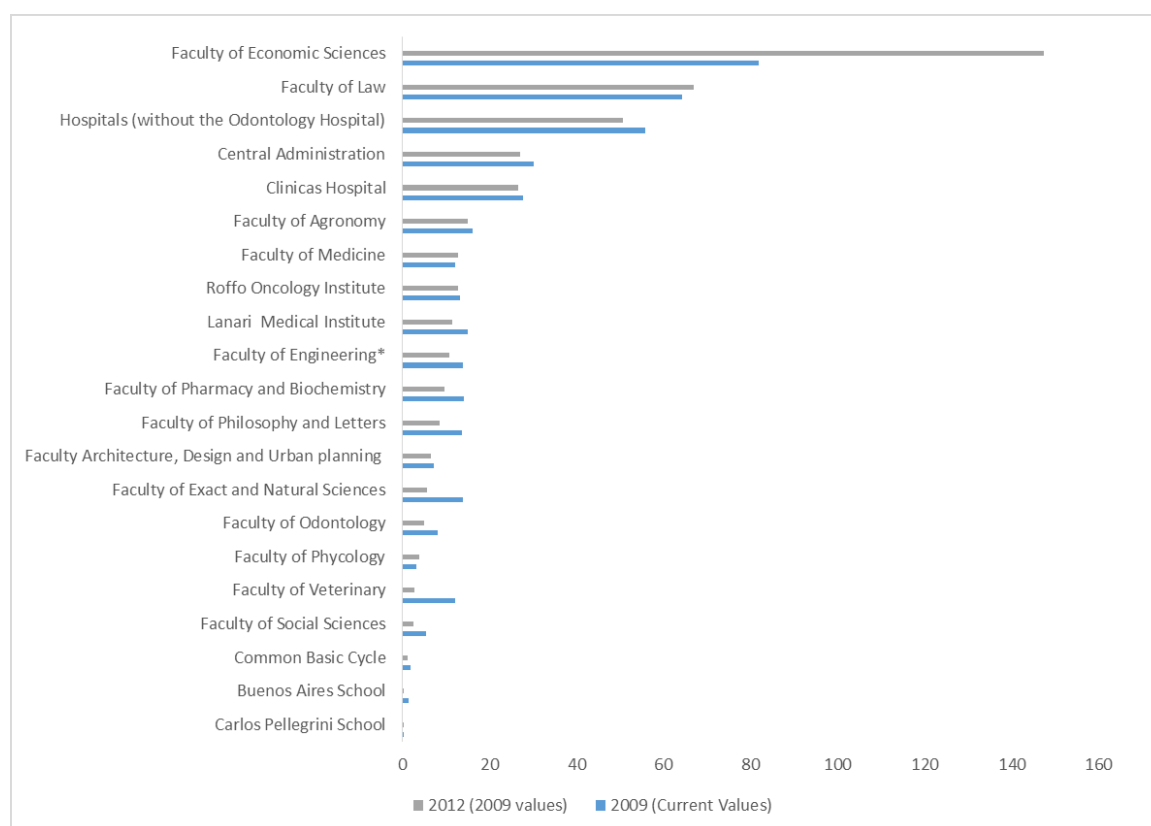
An original aspect of our investigation is that we disaggregated the UBA's own resources. We compiled the only available detailed information through archival research of the UBA's Superior Council public resolutions, available since 2009 with some gaps for certain academic units. We compared 2009 and 2012 figures because they present the most complete information.

Every academic unit is only mandated to present its own resources' annual estimate, usually approved by the UBA's Superior Council during the second half of the corresponding year. The estimates are based on historical information, inflationary adjustments, and the already gathered revenues of the current year by the time when they are made. Hence, we will not be looking at actual figures but to estimates that set a minimum floor that will anyway allow us to study the UBA's most important sources of own revenues and their differences between academic units.

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<sup>6</sup> The remaining budget corresponds to the UBA's hospitals.

**Chart 1.** The UBA's Own Resources per Academic Unit



Source: compiled from Superior Council Resolutions.

\*The information from the Engineering Faculty was not available between 2010 and 2014. Thus, we estimated the 2012 figure considering a constant annual growth between 2009 and 2015.

Only two academic units, the Faculty of Economic Sciences and the Faculty of Law, concentrate more than half of the UBA's own resources (Chart 1). Doberti (2014) and Rikap (2016), based on interviews and participant observations, explained that the UBA's professional<sup>7</sup> and research faculties develop different mechanisms to fund their activities. Research faculties predominantly apply for public competitive grants, while professional faculties charge tuition and fees for graduate and continuing education. They added that some faculties have strong links with enterprises for consultancies, technical assistances and internship programs. Our in-depth analysis complements their conclusions by providing empirical evidences.

<sup>7</sup> Refers to faculties that traditionally comprised liberal professions such as lawyer or accountant.

Considering main types of own resources (Graph 5) we split the UBA's faculties in three groups:

- Professional, mainly dedicated to teaching, faculties: Economic Sciences, Law, Architecture, Odontology and Psychology.
- Research faculties: Exact and Natural Sciences, Social Sciences and Philosophy and Letters.
- Remaining faculties, significantly dedicated to teaching but with a relevant research activity in applied fields.

Among the professional faculties research links with private enterprises and other organizations are marginal, as well as the research activity as a whole.<sup>8</sup> Moreover, training agreements are almost 95% of the Faculty of Economic Sciences' own resources. Even if graduate education tuition and fees are not significant compared to training agreements, this faculty has the second highest tuition and fees earnings (more than USD 3 million in 2012). It is only preceded by the Faculty of Law where tuition and fees of graduate and continuing education are 97.6% of its own resources. The latter includes all sort of courses from languages to coaching technics and marketing. Moreover, 87.5% of the Faculty of Odontology's own resources are, in fact, patient fees.

Resistance to the UBA's commodification is mostly concentrated in the research faculties, whose own resources were just 3.9% of the UBA's total in 2012. The Faculty of Exact and Natural Sciences took the leadership of the academic battle against cuts in the science and technology national budget since 2015 in Argentina. Its academic community also rejected the accreditation of its undergraduate degrees in the Argentinean Commission for University Evaluation and Accreditation, considering it an attempt to curtail academic freedom for teaching and research. Furthermore, they rejected the donation of funds from "Minera Alumbrera YMAD-UTE", an open-cast-mining corporation. In the Faculty of Social Sciences own resources are marginal (0.6% of the UBA's 2012 total) and come primarily from tuition and fees (87% in 2012).

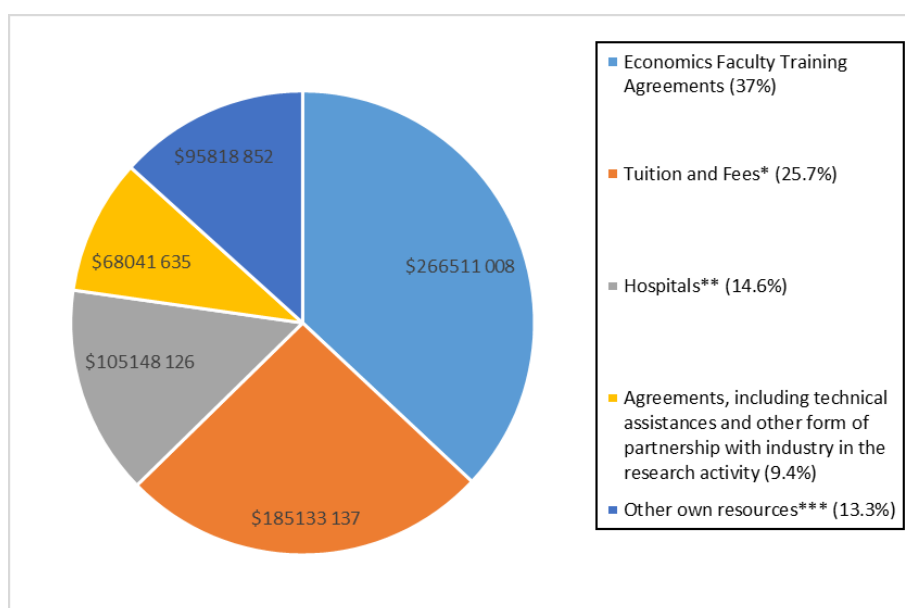
In the remaining faculties own resources for research are particularly important, but primarily destined to perform routine activities such as technical assistances. Their more applied research probably contributed to further develop its commodification. In the Faculty of Agronomy collaborations with private enterprises were 93% of its total 2012's own resources. Additionally, among not predominantly professional faculties, it leads the rank in quantity of agreements with other organizations. It also has the highest number of

<sup>8</sup> The Faculty of Economic Sciences has 3% of faculty with part-time or full-time research positions. Figures are even smaller in the Faculty of Law (Universidad de Buenos Aires, 2011b).

technology transfer agreements followed by the Faculty of Pharmacy and Biochemistry, also from this group. Nevertheless, 89% of the latter's long term agreements corresponded to technical assistances or other routine activities between 1997 and 2011 (Rikap, 2016).

The previous analysis per academic unit can be complemented by observing the main types of own resources gathered by the UBA (Graph 5).

**Graph 5.** Type of UBA's Own Resources (2012)



Source: compiled from Superior Council Resolutions year 2012.

\*The Faculty of Exact and Natural Sciences does not differentiate among types of own resources. Hence, we could not include its tuition and fees. Anyway, as postgraduate education in this faculty is free for all UBA graduates, and considering that this faculty's own resources represented 1.5% of the total UBA's own resources in 2012, the amount not considered here is insignificant.

\*\* Includes the three autonomous UBA hospitals (Clínicas, Lanari and Roffo) and the Odontology Hospital which is under the scope of the Faculty of Odontology.

\*\*\* Loan of facilities, the sale of goods (food and beverages, photocopies, car parking), donations and interests.

The Faculty of Economic Sciences' training agreements stand out as the UBA's most important source of private revenues. This faculty acts as a human resources agency that offers students from this and other faculties as interns to private enterprises, public bodies, etc. receiving in exchange the students' stipends including a monthly fee (until 20% from private enterprise and not less than 5% from public organisms) that they charge for this service.

Tuition and fees are the second highest type of own resources. Even if undergraduate education is tuition-free, students are charged with small fees (for delivering certificates, for

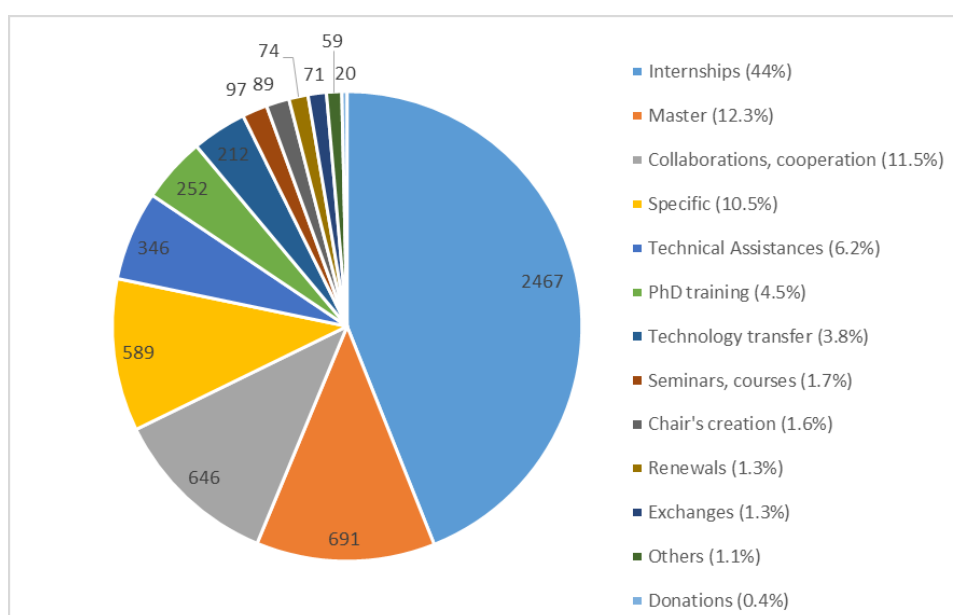
dropping off or failing a course, etc.). Moreover, postgraduate education has tuitions. The exceptions are the research faculties that are tuition-free for graduates and faculty of their own faculty or the UBA, depending on the case.

Even though the UBA is mainly teaching to undergraduates (95% of total enrolment), it is also, by far, the biggest Argentinean university in terms of postgraduate education with 22% of total postgraduate students in national universities (Ministerio de Educación de la Nación, 2013). By 2016, it offered 227 specialization courses, 134 masters and 40 Ph.D. programmes. The UBA also offers paid language courses and continuing education which, as we have said, are particularly important in the Faculty of Law.

The third highest type of own resources are patient fees charged at the UBA's Hospitals. Public Hospitals in Argentina are supposed to be free of charge for everybody. Nevertheless, this is not the case of the UBA's Hospitals.

Finally, almost 10% of the UBA's own resources corresponded to research agreements. Next, we will focus on the UBA's long term agreements, including the research ones. Even though the available information does not allow us to identify the exact money coming from each type, the UBA's Superior Council publishes the quantity of approved agreements (Graph 6).

**Graph 6.** Agreements approved by the UBA's Superior Council (accumulated figures between 2000 and 2012).

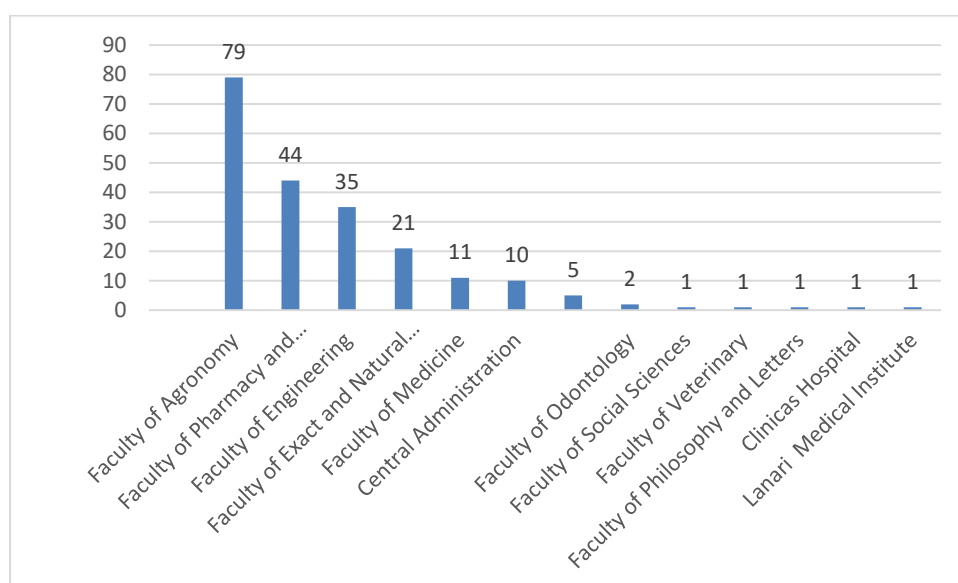


Source: UBA's Superior Council public data.

Internships are the main long term agreement, as we could expect from our previous analysis. The second highest type are the master agreements which are broad agreements between two organizations. When a specific activity is asked it can be framed under this general agreement or by signing a specific agreement (fourth in importance). This specific activity may be a consultancy, a technical assistance, a technology transfer, etc. The collaboration or cooperation agreements are non-market ones, typically signed with other higher education or research institution.

Technology transfer agreements are only 3.8% of total agreements; its disaggregation between academic units is shown in Graph 7. Anyway, as we said before, master and specific agreements may include technology transfers.

**Graph 7.** Technology Transfer agreements per Academic Unit (accumulated figures between 2000 and 2012)



Source: UBA's Superior Council public data.

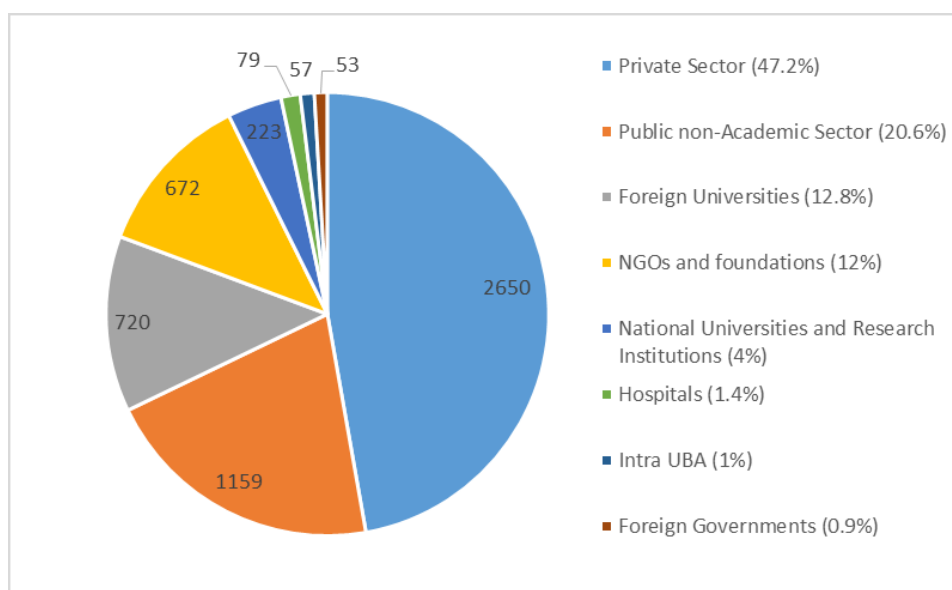
In line with our suggestion of three groups of faculties concerning commodification, the “remaining faculties” group concentrates the vast majority of the technology transfer agreements, driven by the Faculty of Agronomy as we have already mentioned. Of course the disciplines covered by each faculty contribute to explain these figures.

Finally, if we disaggregate the general agreements' figures according to the UBA's partners (Graph 8) we can see that the private sector was its counterpart in almost half of them, reinforcing the idea that the UBA's commodification process is significantly developed. This figure is actually bigger considering that the “hospitals” partner include both public and private hospitals. We may consider as well that a proportion of the agreements with



foundations and NGOs took the form of commodity exchanges. Hence, the relevance of what we could call market-agreements is unquestionable. It would have been interesting to disaggregate Graph 8 according to the different agreement types, but this information is not available.

**Graph 8.** The UBA's agreements approved by its Superior Council according to the partner organization (accumulated figures between 2000 and 2012)



Source: compiled from UBA's Superior Council public data.

Summing up, we could observe that the UBA has devoted itself to obtain all sorts of market resources. In this scenario, which were the consequences of becoming an academic enterprise?

## 5. Jeopardizing Teaching and Research's Autonomy

Throughout our investigation we have shown that free undergraduate education is not a sufficient condition for denying a university's commodification. The UBA has become an academic enterprise selling all sorts of commodities, from internships and postgraduate education to research and patient's care. Our results are in line with other authors' approaches: in peripheral countries, like Argentina, higher education institutions sell training, consultancies or technical services instead of new developments (Langer, 2008; Riquelme and Langer, 2013).

Although this process was probably culturally accepted and encouraged, particularly in some faculties, as a result of insufficient public block grants, own resources' rate of growth

and variety contributes to explain that there were private demand needs waiting for the UBA's corporization. Anyway, this was not a straightforward process. A deep-rooted culture of academic autonomy rejected commodification, mainly in the research faculties (Buchbinder and Marquina, 2008; Morgade, 2014).

Actually, inside the UBA realities vary significantly as some faculties enjoy enormous amounts of own resources and are constantly looking for more market opportunities, while in the research faculties this source of revenues is negligible. In line with previously mentioned authors (Kleinman and Vallas, 2001; Mowery, 2005; Sutz, 2005), the commodification process in the UBA has financially benefited some fields preferred by private enterprises. In accordance with the UBA's focus on teaching the market winners were, primarily, the professional faculties. Their main sources of own resources come from selling students' internships and postgraduate and continuing education. A major concern associated to the sale of postgraduate and continuing education is its impact over the undergraduate curriculum. Undergraduate degrees were shorten, particularly in the professional faculties, in order to push students to go on for a master programme once they graduate.<sup>9</sup> Moreover, instead of including languages as a subject in undergraduate's degrees, different faculties sell language courses.

As we have shown, there is a significant and growing importance of the Faculty of Economic Science's own market, followed by the Faculty of Law. These faculties are teaching enterprises. Thousands of faculty teach without performing research which contributes to turn higher education into a training course, instead of being a dimension of the research activity where faculty disclose and further develop their research with students.

While own resources led to budget asymmetries between faculties, considering the minimum rate of public block grants that funds research, the consequences of commodification jeopardizing academic freedom affect every academic unit. Researchers receiving private funds face a reduction of their remaining time for free research. Commodities are sold only if they are considered as use values for the market; meaning that they should fulfil the demanding enterprises' desires. Thus, research will not necessarily be in line with researchers' more challenging questions. Nor will it be oriented towards solving main social problems, something that should be expected from research done in a public university. Furthermore, we have shown that enterprises demand mostly technical assistances or consultancies instead of creative new research, wasting researchers' time in routine activities.

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<sup>9</sup> Rikap and Arakaki (2011) explain in depth this process at the Faculty of Economic Sciences, focusing on the economics undergraduate degree.

The other budgetary alternative for performing research is to win a public competitive grant, but in this case the research agenda will probably be guided by lines decided by the government. In Argentina, they are increasingly oriented towards applied research in order to fulfil private needs. An interesting analysis for a future investigation would be to study the importance of competitive public grants for the UBA and among its faculties.

Thus, avoiding external direct pressures means to perform research almost without budget. This could be a short-term solution for social sciences and humanities, which may explain the reduced figures of own resources in those faculties. However, it is not an option for experimental research. This contributes to explain why researchers from the more applied fields are more engaged with private enterprises even if they are asked to do routine activities.

All in all, the UBA's research agenda is under a threat. At the same time, probably own resources are still not enough to overcome their budgetary needs. Actually, different studies have shown that budget constraints remain as a significant concern among researchers at the UBA (Rikap, In press; Riquelme and Langer, 2013). While commodification is seriously affecting research, teaching activities are also being conditioned to achieve higher market revenues, limiting the idea of education as a right to the undergraduate degree which has also been shorten expanding the education market. Even if it is too soon to assess whether the UBA will overcome commodification, we have pointed out that it has not been a smooth process. Furthermore, we believe that understanding it is a necessary condition in order to face future challenges.

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**Author contact:** [ceciliarikap@gmail.com](mailto:ceciliarikap@gmail.com)

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## Imperial Partitioning in the Neoliberal University

Cathy Wagner,<sup>1</sup> Theresa Kulbaga and Jennifer Cohen

Miami University, Miami University and Miami University / University of the Witwatersrand

This paper tells the story of boundaries redrawn within a public university, specifically between the university and its regional campuses, as well as concerned faculty members' attempts to respond and resist, in part through actions taken by a new advocacy chapter of the American Association of University Professors (AAUP). As with imperial partitioning, the new boundaries pulled some culturally distinct academic units together and severed connections between others. We focus on one example: the creation of a new regional campus division – the College of Liberal Arts and Applied Science (CLAAS) – that differentiates regional students, faculty, and academic units from the university's elite "public ivy" brand. The university established a new set of boundaries between its main and regional campuses, forcing the creation of the new regional division, new departments, and new undergraduate majors, many with an "applied" orientation. We argue that this process of "differentiation," the creation and maintenance of difference, is, in practice, the production of inequality, which disadvantages regional campus students as well as members of the regional faculty.

### I. The Imperial Project in Higher Education

The imperial practice of creating colonial states by drawing arbitrary boundaries has found a curious home in higher education. In academe, the creation of new departments, schools, divisions, and research units, as well as the restructuring of relations among campuses, is posed by administration as the solution to various problems, especially those that involve fiscal constraints.

In the colonial case, one aim of imperial partitioning was to establish a new form of governance that disciplines the unruly and civilizes them into "good subjects" more easily managed by colonial administrators. This disciplinary process has parallels with restructuring in the context of *responsibility centered management* (RCM). RCM is a decentralized management model that rewards revenue generation and cost efficiency in academia. In practice, RCM produces an institutional environment of crisis and competition, pitting now-autonomous academic units against one another to contain costs, attract students, and "unleash...entrepreneurship" (Curry, Laws & Strauss, 2013, p. 11).

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<sup>1</sup> Each author contributed equally to this study of their home institution.

This paper tells the story of boundaries redrawn within a public university, specifically between the university and its regional campuses, as well as concerned faculty members' attempts to respond and resist, in part through actions taken by a new advocacy chapter of the American Association of University Professors (AAUP). As with imperial partitioning, the new boundaries pulled some culturally distinct units together and severed connections between others. We focus on one example: the creation of a new regional campus division of Miami University – the College of Liberal Arts and Applied Science (ironically, "CLAAS") – that differentiates regional students, faculty, and academic units from the university's elite "public ivy" brand. Miami established a new set of boundaries between its selective, residential main campus in Oxford, Ohio and the two open-admission regional campuses. Ohio regional campuses historically specialized in two-year degrees, but Ohio's 2008 Strategic Plan for Higher Education, by calling for a "Network of High-Quality, Low-Cost Campuses Offering Both Bachelor's and Associate Degrees within 30 Miles of Every Ohioan", pushed Miami to expand bachelor degree offerings at its regionals.<sup>2</sup> The state mandate offered an opportunity to extend more of the university's capacities to historically disadvantaged students on its regional campuses. However, instead of embracing the chance to improve access to a standard four-year degree from Miami, the new boundaries imposed by senior administration combined with the university's RCM budget model to force the creation of a new regional academic division, new departments, and new undergraduate majors, many with an "applied" orientation. We argue that this process of "differentiation", the creation and maintenance of difference, is, in practice, the production of inequality, which disadvantages regional campus students during college and beyond, as well as members of the regional faculty.

The process of differentiation – the creation of difference – established two separate and unequal spaces of work and education. Early on, senior administration<sup>3</sup> revised its terminology from "differentiation" to "restructuring." Both are appropriate: through restructuring, the university created difference. In other words, it generated new forms of inequality by establishing new borders that also served to reinforce existing inequalities.

Restructuring at Miami and elsewhere is posed as the solution to problems, following the logic of neoliberal governmentality, which manages and disciplines populations through regimes of "truth" and problem-solving.<sup>4</sup> The problems themselves remain amorphous – but

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<sup>2</sup> In 2008, there were 24 "regional branch campuses" in Ohio offering mostly two-year degrees. Ohio's regional branch campuses were and are distinct in their mission from public comprehensive universities – some serve as "feeder schools" for main campuses, while many are more like community colleges. Ohio Board of Regents, *Strategic Plan for Higher Education 2008–2017*, 66.

<sup>3</sup> By "senior administration", we refer to those who shaped the charges that directed restructuring: the former president, former provosts, former regional campus dean, and Board of Trustees, hereafter "administration" unless otherwise specified.

<sup>4</sup> Michel Foucault (2010) theorizes neoliberal governmentality as a "productive" form of biopower in *The Birth of Biopolitics: Lectures at the Collège de France, 1978-1979*.

urgent! and economic! In the case of Miami, the problem is difficult to identify. It was never laid out in clear terms, perhaps because the administration did not want to solicit alternative solutions. The arguments administrators offered do not hold when confronted with reality.

Further, the channels through which restructuring was to solve these supposed problems were not identified. This missing logic means the problems appeared to function more as a justification for restructuring than as concrete, identifiable challenges facing students and faculty members.

What is it then that produced the desire to generate inequality between Oxford and the regionals? The answer lies in RCM, a popular market-oriented financial and organizational management model. The neoliberal logic of RCM produced a series of contradictions that generated new problems – namely market competition among academic divisions and campuses – which RCM was then expected to solve. More perniciously, RCM allowed Miami administration to cement long-held elitist assumptions about regional versus main campus students and faculty into real boundaries with material effects.

In Miami's case, the new border established through restructuring granted – or forced – budgetary and curricular autonomy on the regional campuses. It is as though the imperial state recognized the costs of a colony and withdrew, handing over administrative control. But regional faculty were unlikely to welcome a decentralization that entails "liberation" from the chains of access to resources and shared identity with those on the Oxford campus.

Concerned students and faculty members voiced disapproval of restructuring during the process, and have had ongoing discussions about possible mechanisms for responding to both the new reality of differentiation and the failure of shared governance in shaping this reality. We end by describing limited successes achieved by the AAUP advocacy chapter, as well as challenges and future goals for resisting the neoliberal university.

## **II. Building a Boundary: Autonomy | Autocracy**

Prior to restructuring, Miami's regionals were extension campuses offering associate's degrees and providing a pathway for students to complete Bachelor's degrees on the main campus. Miami University was understood as a single body with multiple campuses, under a single administrative structure, and with single departments, such that faculty members were employed within one department regardless of their campus. Miami Regionals serve a local population that is more diverse and less well-off than the student population on the main campus, which draws many privileged students from across the state and beyond. Regional campuses offer Miami degrees for a fraction of the main campus price, a point of

contention once the regionals were mandated to offer four-year degrees: 2016-2017 annual tuition expenses for in-state students at Miami–Oxford are \$14,736 plus room and board, totaling \$27,190 for the year; at Miami Regionals the total annual cost for an in-state student is \$2,586.66.<sup>5</sup>

Ohio's 2008 "Strategic Plan" for higher education encouraged regional colleges to offer more baccalaureate degrees. In response, Miami's president charged a series of task forces and committees with designing a new curricular structure that would enable regional students to pursue bachelor's degrees. From the start, however, certain options were foreclosed. The simplest and cheapest plan might have been to enable completion of existing degrees on the regional campuses. That possibility was not made available for discussion, despite the fact that the Strategic Plan advocated extending degree offerings on regional campuses as "an efficient expansion of an accessible education" (Ohio Board of Regents, 2008, p. 66). Instead, Miami created a separate regional academic division in which new (and different) degrees would be developed specifically for regional students.

As with many instances of top-down partitioning, restructuring produced resistance from faculty and students at the regionals and in Oxford due to its perceived illegitimacy and potential consequences.<sup>6</sup> Many saw the changes as a mechanism for deepening the existing class divide between the main and regional campuses. Why did the administration want to develop regional-specific degrees rather than offering existing traditional degrees on all campuses? And why were options for offering four-year degrees off the table *except* those that involved differentiation?

To justify restructuring, the administration identified problems for which they provided little evidence and settled quickly on a curiously limited set of solutions. It is difficult not to conclude that unspoken reasons were decisive in engineering the final result. Faculty and junior administrators charged with redesigning the system were not invited to investigate or propose alternative models that might have enabled existing four-year degrees to be made available across all campuses, and were not given the opportunity to scrutinize, evaluate, or debate the reasons offered for the necessity of differentiation. Feedback from faculty and students was repeatedly invited and offered, but faculty had leverage only over details concerning implementation, not the master plan.

<sup>5</sup> Figures from Miami University's website (Miami University, 2017) <https://miamioh.edu/onestop/index.html>

<sup>6</sup> Miami University Senate voted against a separate division for the regionals on April 9, 2012, rejecting, among other provisions, the stipulation that "The new division cannot offer the same degrees offered by other academic divisions" (Miami University Faculty Senate, 2012, April 9, p. 4).

[http://community.miamioh.edu/senate/files/senate/01\\_17\\_Senate\\_Minutes\\_04\\_09\\_2012\\_Full\\_with\\_attachments.pdf](http://community.miamioh.edu/senate/files/senate/01_17_Senate_Minutes_04_09_2012_Full_with_attachments.pdf)

Restructuring nevertheless moved forward after the Board of Trustees passed a resolution in favor of it on April 27, 2012 (Miami University Board of Trustees, 2012, June 22).

[http://www.miami.miamioh.edu/files/documents/about-miami/president/bot/Minutes\\_06-22-12.pdf](http://www.miami.miamioh.edu/files/documents/about-miami/president/bot/Minutes_06-22-12.pdf)

Some theorists view partitioning as “political triage”, allocating resources so as to maximize the number of survivors and “cutting off...rotten or bleeding limbs that might otherwise kill the patient” (O’Leary, 2006, p. 2). Having already reached the conclusion that the regionals required amputation, Miami’s administration invited only feedback about how best to go about the surgery. Faculty requests for consideration of other models were disregarded, as were concerns that the proposed model would create or perpetuate significant inequities. Justifications seem to have been furnished not to open creative dialogues about how to make baccalaureate degrees available to regional students, but rather to rule out alternatives to differentiation.

The initial impetus for change was state pressure to expand regional baccalaureate offerings, a charge that by no means mandated or encouraged differentiation. In fact, the state’s aim was to make higher education more accessible to a larger population. Miami’s administration leveraged the state charge to carve a new boundary between the main campus and the regionals, claiming that the regionals needed “autonomy” to develop their own degrees. The fact that most of the new degrees now under development strongly resemble traditional Miami degrees (e.g., English Studies, Psychological Sciences, Communication Studies) makes the claim that regional students need entirely new degrees suspect. University analyses did cite the need to increase the speed, efficiency, and flexibility with which baccalaureate degrees could be made available to regional students, a legitimate reason for updating existing procedures and structures.<sup>7</sup> But the creation of a new academic division was a more extreme solution than the “flexibility” problem warranted. What resulted was a form of independence neither requested nor desired by the regionals population.

Other justifications offered in support of differentiation concerned fiscal risks. First, falling regional enrollments were regularly cited as evidence that the regionals were “not financially sustainable”, implying that the university must act quickly to offer competitive regional baccalaureate degrees.<sup>8</sup> It was presumed that the regional campuses were losing students to nearby schools such as Sinclair State—but data demonstrating fluctuations in enrollments were never presented. If they had been, it would have been clear that, in the economic environment at the end of the 2000s, *all* local community colleges and regional

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<sup>7</sup> “The Miami regional system...needs to be enabled to offer certain, select ‘traditional’ degrees that will be able to be launched very quickly and use existing faculty resources.” Report from the Presidential Task Force of Differentiation of the Regional Campus (Miami University, 2014, November 21, no page number). <http://miamioh.edu/about-miami/leadership/provost/reports/final-report-of-rc-task-force/index.html>. For context, see the comment by a member of the Academic Policy Committee in section III of this paper.

<sup>8</sup> “[T]he regional campuses continue to confront significant enrollment and other challenges. Quite simply, the current trajectory of the regional campuses is not financially sustainable nor is it programmatically sufficient to meet the needs of the students and the region.” From President Hodge’s charge to the Task Force – which cites no figures and does not contextualize enrollments – in Report from the Presidential Task Force of Differentiation of the Regional Campus (Miami University, 2014, November 21, no page number). <http://miamioh.edu/about-miami/leadership/provost/reports/final-report-of-rc-task-force/index.html>

universities were losing enrollment.<sup>9</sup> It wasn't that students were choosing Sinclair State over Miami; it was that fewer people were pursuing higher education at all. In fact, declining community college enrollments remain a nationwide trend (Juszkiewicz, 2016, p. 3).

The administration also warned that the university must guard against "brand confusion", or internal competition among Miami campuses.<sup>10</sup> That is, if students could get a Miami bachelor's degree for less on the regional campuses, the value of the main campus's elite, "public ivy" brand would suffer. But curriculum is only part of what students purchase when they choose a particular institution. Students also choose an experience that suits their needs, preferences and budget. Miami's selective main campus is large and parklike; students live for at least two years on a campus with award-winning food halls, intercollegiate and intramural sports, and one of the highest rates of fraternity and sorority membership in the country. Known as a party school, the main campus has a student body that is on average younger and more privileged than the population that attends the regionals.

In contrast, the regional campuses are open admission, serving students who are historically underrepresented in higher education. They attract nontraditional and commuter students, many of whom do not have the time or money to participate in a residential college experience. Regional faculty report, anecdotally, that regional students frequently express discomfort with the main campus culture, concerned that they don't fit the stereotype of the Oxford student. One student, asked about restructuring, explained, *"I do go up to Oxford sometimes, and when I see students there I get the overall feeling that they're looking down on me for being from a regional campus[....] That's not a very nice feeling."*<sup>11</sup> Regional students value the smaller, more diverse, more intimate atmosphere the regionals provide. In short, the main-campus experience is different enough from the regionals experience as to make "brand confusion" unlikely even if curricula were identical.

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<sup>9</sup> Comparing figures for 2015 to 2010, enrollment at Sinclair State fell by 28%, enrollment at the University of Cincinnati–Blue Ash fell 9%, while enrollment at Miami–Middletown fell 0% and Miami–Hamilton fell 15%. For the same period, overall headcount enrollment fell 19% for community colleges and 7% for regional campuses in Ohio (Ohio Department of Higher Education, 2016).

[https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/hei/data-updates/headcount\\_institution\\_campus\\_06-15.pdf](https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/hei/data-updates/headcount_institution_campus_06-15.pdf)

<sup>10</sup> Provost Herbst: "[I]t is important that offering new baccalaureate degrees at the regional campus does not cause 'brand confusion' for Miami degrees." In Report of the Regional Campus Committee, March 21, 2009, Attachment A (Miami University Faculty Senate, 2009, April 6, p. 13).

[http://community.miamioh.edu/senate/files/senate/1\\_Senate\\_Minutes\\_4\\_06\\_09.pdf](http://community.miamioh.edu/senate/files/senate/1_Senate_Minutes_4_06_09.pdf)

<sup>11</sup> See Megan Zahneis (2015b), "Regional students wary of changes," *The Miami Student*, 20th Nov. <https://miamistudent.net/regional-students-wary-of-changes/>.



In the end, Miami's final report on restructuring dismissed the differential-pricing problem, acknowledging that "swirling" (taking classes on a different campus) was not a fiscal risk.<sup>12</sup> Perhaps because evidence to support claims about internal competition was in short supply, an earlier report had characterized the problem as a "perception" of competition between campuses, a soft-focus rendering impossible to prove or disprove.<sup>13</sup>

The new RCM budgetary model was responsible for a third justification, or rather a factor, used to constrain the available options for restructuring. University divisions, now separate "responsibility centers", had to be prevented from competing with one another in detrimental ways. Thus, although the university's Task Force on Differentiation acknowledged that degree duplication on regional campuses was a common practice elsewhere, the Board of Trustees specified when they instituted the new regionals division that "[d]egrees offered on the Regional Campus should be distinct in name and requirements from those on the Oxford campus".<sup>14,15</sup> This non-duplication rule might seem like a curricular matter, but as it was never approved by Miami's curricular authority, University Senate, it clearly concerned budgetary, not curricular, issues. Under RCM, potentially damaging competition between cost-centers must be reined in by rules such as the non-duplication imperative.

Indeed, it would be counterproductive for different parts of the university to replicate resources and compete. But competition could only exist between the main and regional campuses if and when the regionals were partitioned off into a new division. Because partitioning would *produce* competition, it necessitated a rule *against* competition, which in turn compelled the creation of separate and unequal degrees. The peculiarities of RCM enabled the administration's preference for reserving higher-status traditional degrees for the main campus to be presented as a neutral "rule".

In short, the administration's justifications for differentiation were not substantiated and are in some cases easily refuted – which leads us to assume that other reasons lurked in the background. The unspoken justification, we speculate, is also fiscal, but less publicly

<sup>12</sup> Swirling has "minimal financial impact." In Final Report of the Regional Campuses Process Committee, Attachment A (Miami University Board of Trustees, 2015, May 1, p. 58).

[http://miamioh.edu/files/documents/about-miami/president/bot/Minutes\\_05-01-15.pdf](http://miamioh.edu/files/documents/about-miami/president/bot/Minutes_05-01-15.pdf)

<sup>13</sup> "The close proximity of Miami's regional campuses to the Oxford campus has been discussed as both a strength in terms of faculty and student relationships, course offerings, and collaboration opportunities, and as a weakness in terms of the perception of competition if similar degrees are offered on the regional campuses." In Report from the Presidential Task Force of Differentiation of the Regional Campus, Charge Item 1, No. 1 (Miami University, 2014, November 21, no page number).

<http://miamioh.edu/about-miami/leadership/provost/reports/final-report-of-rc-task-force/index.html>

<sup>14</sup> "[D]uplicate or similar degrees are offered on the regional campus"... "[i]n almost all of the models examined at other universities." Report from the Presidential Task Force of Differentiation of the Regional Campus, Charge Item 1, No. 4. (Miami University, 2014, November 21, no page number).

<http://miamioh.edu/about-miami/leadership/provost/reports/final-report-of-rc-task-force/index.html>

<sup>15</sup> Board of Trustees Resolution R2012-2009, Minutes of the Board of Trustees Meeting, April 27, 2012 (Miami University Board of Trustees, 2012, June 22, p. 19). [http://www.miami.miamioh.edu/files/documents/about-miami/president/bot/Minutes\\_06-22-12.pdf](http://www.miami.miamioh.edu/files/documents/about-miami/president/bot/Minutes_06-22-12.pdf)

palatable: to increase enrollments on the regional campuses by offering more baccalaureate degrees, while simultaneously signaling through differentiation that regional degrees are not equivalent in status to main-campus degrees. Differentiation would thus increase the comparative value of the higher-status, higher-earning, main campus degree, allowing enrollments to increase at the regionals without decreasing main-campus enrollment (and tuition revenue). Though the latter fear was not, as we have shown, justified, the university went to great lengths to allay it at the expense of regional students and faculty. Differentiation allowed the university to trumpet the benefits of a highly circumscribed autonomy for the regional campuses while quietly reinforcing and increasing inequality among students and faculty.

The administration's commitment to differentiation was rooted in a neoliberal logic of structural adjustment: a market-oriented organizational model that, when imposed on educational institutions, trumps concern for the public good. Market-oriented budgetary models such as RCM are coping mechanisms for public universities that must survive in a world in which public funding for state universities has fallen dramatically.<sup>16</sup> In such a world, it seems, even the most unprovable and unlikely threat to enrollments will stymie the public university's mission to be (as it was once known) a "great equalizer", instead turning it into a mechanism for upholding and exacerbating class difference.

### III. Impacts of Restructuring: the Production of Inequality

Although proponents typically frame partitioning as a process that will benefit both of the separated entities, top-down partitions tend to disproportionately benefit the relatively powerful, often at the expense of the relatively powerless. Accordingly, the creation of difference through restructuring at Miami concretizes gender- and class-based inequalities among students and faculty members. For students, differentiation narrows degree options, restricting them to "differentiated" majors and degree programs, potentially limiting their marketability after graduation, and marking them with a separate, devalued "brand" on their diplomas. For faculty members, differentiation severs long-held relationships with Oxford-based divisions and departments; forces the hasty creation of brand-new departments, degrees, and courses; impedes the ability to hire quality faculty; and increases an already demanding service and teaching load.

Compared to full-time faculty members on the Oxford campus, full-time faculty on regional campuses receive lower pay, in spite of teaching more than twice the number of courses per semester, and have more limited access to departmental and divisional resources on the

<sup>16</sup> No exception, Miami's state funding fell from over 70% in 1955 to 13.7% in 2015 (Miami University, 2001; Miami University, 2015). <http://www.units.miamioh.edu/institutionalrelations/MiamiOH.htm>; [http://www.units.miamioh.edu/controller/prod/grants\\_contracts/docs\\_forms/FY15\\_A133.pdf](http://www.units.miamioh.edu/controller/prod/grants_contracts/docs_forms/FY15_A133.pdf)

wealthier Oxford campus. Unsurprisingly, inequalities are also present among full- and part-time (adjunct) faculty on the regional campuses and between part-timers on the main and regional campuses.

The vast majority of faculty – almost 70 percent – on the regional campuses are part-time contingent faculty. In 2015, over 65 percent of part-time contingent regional faculty were women, as were 54 percent of full-time regional faculty. Restructuring generates losses for all faculty members on the regional campuses, but it disproportionately impacts women faculty due to the over-representation of women. Salary inequality at the beginning of one's career can establish a lifelong lower-income trajectory for regional faculty.

Formerly, faculty teaching on regional campuses had higher teaching loads than faculty on the main campus; however, those who were tenure-line were tenured as Miami University faculty in university-wide departments and divisions, and had access to research funding and laboratory space. Full-time faculty hired after differentiation have no connection to the Oxford campus at all, which may mean no laboratory space, no performance space, and no studio space in addition to already lower pay, lower start-up funds, and higher course and service loads. For full-time faculty at regional campuses, this inequality can render achieving tenured status more difficult than for their Oxford counterparts. These material conditions are even worse for adjunct faculty, who earn less, get no start-up funds, have very high course loads, and whose appointments are insecure. The severing of regional faculty from Oxford also appears in subtler ways, including (among many others) changing how faculty are listed in the directory. While this may seem minor, it elevates the status of those employed on the main campus and devalorizes those employed on regional campuses, which may impede regional faculty's ability to present and publish academic work. With respect to faculty, then, differentiation serves two purposes. First, it institutionalizes gender and class inequality. Second, it renders these interlocking inequalities less apparent and more difficult to address, as faculty members formerly in the same department are now disconnected.

The top-down nature of restructuring reduced faculty morale by eroding faith in shared governance and generated concern about future hiring. After restructuring, regional faculty were required to form new regional departments separate from those into which they had been hired. Newly hired tenure-line faculty will be tenured into the new departments and division.<sup>17</sup> The disadvantages new hires face may make it difficult to attract and hire tenure-

<sup>17</sup> One faculty member called this change, "by far the worst provision in the Proposal, [because it] has the most opposition, causes the most problems, damages faculty, and damages students [...] All this does is to take [regional] faculty and cut them off and to say that from this point forward [...] you are in Siberia." (Miami University Faculty Senate, 2012, April 9, p. 4).

[http://community.miamioh.edu/senate/files/senate/01\\_17\\_Senate\\_Minutes\\_04\\_09\\_2012\\_Full\\_with\\_attachments.pdf](http://community.miamioh.edu/senate/files/senate/01_17_Senate_Minutes_04_09_2012_Full_with_attachments.pdf)

track faculty in the teacher/scholar model. In such a case, restructuring will actually degrade what it might have improved: the access of “time and place bound” students to “the nationally prominent scholars and artists” that compose Miami’s tenured and tenure-track faculty.<sup>18</sup>

One regional faculty member, responding to a survey distributed by AAUP before the final University Senate vote, said “[e]specially because the proposed model concerns radical changes to regional faculty’s appointment and tenure home, I believe we have the right to discuss it at length and to vote on it as well. I don’t believe the regional ‘upgrade’, as they are now calling it, has fully taken the views and public comments of faculty, staff, and students into account.”<sup>19</sup> And as one member of the Academic Policy Committee – also a Miami University senator and thirty-year Miami veteran who has worked on both main and regional campuses – stated during a Faculty Senate meeting:

*A simple question, what do the regionals need to do to develop and approve curriculum, could not be addressed [by the committees]. This would have been a reasonable and welcomed charge but the committees could not do that. We had to respond to a document that already defined a major structural change and propose unnecessary changes that will substantially and negatively alter the academic lives of faculty. There was no justification for the changes and no call for these changes was ever expressed. We were in a box.*<sup>20</sup>

This professor’s frustration reflects the fact that even the task forces and committees charged with researching and implementing differentiation were not offered a clear explanation for why it was necessary, nor were they charged with considering alternatives to differentiation that might achieve the same (unclear) goals. Faculty were “in a box” built by the President’s charge to the committees, even as they were compelled to “substantially and negatively alter the academic lives” of colleagues and students.

In part through its impacts on faculty, differentiation also produces disadvantages for the socioeconomically diverse students on regional campuses. Students can relocate to the Oxford campus from regional campuses, though only about ten percent of them do, citing various reasons such as family (or other geographic attachments), lack of diversity on the Oxford campus, and educational costs. When students do relocate, they benefit from having worked with faculty members who are familiar with Oxford departments, degrees, and resources, and who have an established relationship with Oxford faculty and staff.

<sup>18</sup> See Miami University Mission Statement (Miami University, no date). Accessed January 12, 2017, <http://miamioh.edu/about-miami/leadership/president/mission-goals/>

<sup>19</sup> See Megan Zahneis (2015a), “Senate votes on regional campus restructuring,” *The Miami Student*, 1st Dec. <http://miamistudent.net/senate-votes-on-regional-campus-restructuring/>

<sup>20</sup> Meeting minutes (Miami University Faculty Senate, 2012, April 9, p. 4). [http://community.miamioh.edu/senate/files/senate/01\\_17\\_Senate\\_Minutes\\_04\\_09\\_2012\\_Full\\_with\\_attachments.pdf](http://community.miamioh.edu/senate/files/senate/01_17_Senate_Minutes_04_09_2012_Full_with_attachments.pdf)

Whether they eventually complete a degree in Oxford or not, regional students – already at greater risk of non-completion and *“in greater need of support from their instructors”*, according to the American Institutes for Research (2016)—are aware that they do not conform to Oxford’s “public ivy” brand. One regional student, Clemson Attaway, described his fears about differentiation this way: *“I am diverse. I am not rich. And I’m also not white [....] The regionals are my best shot at a Miami degree. If that gets taken away, not only are there going to be a lot of pissed off branch kids, but Miami will have hurt their own image from a diversity standpoint.”*<sup>21</sup>

Attaway’s view of regional diversity is accurate. Regional students (as of spring 2014) were 20% students of color, 42% Pell-grant eligible, 26% non-traditional (age 25 or older), 30% first-generation, and 2% military veteran. As it developed logic for differentiating the regional campus mission from Oxford’s, university administration made a number of classist assumptions. For example, despite originally claiming that the new regional division would provide the same quality liberal arts education as Oxford, including offering the same degrees, as differentiation progressed, regional campuses were prohibited from duplicating main-campus degrees (such as philosophy, psychology, or English) by the non-duplication rule discussed above. Instead, they were told to develop differentiated degrees in response to the needs of the local community and business, which were assumed to be different from the needs of the communities and future employers of Oxford students.

Regional Dean G. Michael Pratt repeatedly emphasized the presumably different, more vocational needs of Miami regional students: *“The regional campus degrees are focused on the local economy and the local job market, so they are unique degrees [....] The students that will gravitate to us are students that are looking for programs that will take them right into the workforce.”*<sup>22</sup> In another context, he spoke of the “flexibility” needed to serve regional students with different degree needs from Oxford students: *“[Differentiation] provides greater flexibility in developing our degrees and programs and in flexing those programs and needs towards the students and communities that the Regional Campuses have traditionally served.”*<sup>23</sup> Nor was Dean Pratt alone in assuming that regional students need nontraditional, more “applied” degrees. In a statement to the Board of Trustees on December 4, 2014, President Hodge opined:

<sup>21</sup> See Kyle Bush (2014, November 4), “Miami’s attempts to split from regional campuses will make it hard for current ‘branch’ students,” *The Miami Student*. <http://miamistudent.net/miamis-attempts-to-split-from-regional-campuses-will-make-it-hard-for-current-branch-students/>

<sup>22</sup> See Chelsey Livingston (2015, December 1), “Miami Regionals to offer different degrees than main campus,” *Dayton Daily News*. <http://www.daytondailynews.com/news/miami-regionals-offer-different-degrees-than-main-campus/KFBjx15SDkXXvWz9M4YHIN/>

<sup>23</sup> Meeting minutes (Miami University Board of Trustees, 2014, September 19, p. 6). [https://www.miamioh.edu/files/documents/about-miami/president/bot/Minutes\\_09-19-14.pdf](https://www.miamioh.edu/files/documents/about-miami/president/bot/Minutes_09-19-14.pdf)



*[H]ow do we better blend professional and traditional academic studies? [...] [P]reparing students professionally as well as intellectually is an important part of our tasks. The regionals have, I think, a very unique opportunity to embrace this notion, to put these two together in ways that can create superior outcomes for our students; positioning them not just for that first job, but for the opportunities to have more advancement throughout their career.*<sup>24</sup>

While we acknowledge the unique mission of regional campuses and the unique demographics the regionals serve, we are skeptical of the assumption that regional students want or need fundamentally different four-year degrees and programs from those available to Oxford students. The academic debate about vocational versus liberal arts education is at least as old as the famous early-twentieth-century debates between W.E.B. Du Bois and Booker T. Washington.<sup>25</sup> Although the administration took pains not to put differentiation in precisely those terms, the logic is clear. In 2016, regional campuses approved six new majors, including “English Studies” (regional campuses’ English equivalent) and “Psychological Sciences” (regional campuses’ Psychology equivalent). As suggested by the names, these degrees are designed to serve students with the same *disciplinary* interests, but regional students must complete a degree that is “differentiated” from the Oxford equivalent. While regional faculty (including those contributing to this essay) believe that there will be interest in these new majors and want to see new departments and majors succeed, the fact remains that the new regional degrees are separate and unequal by design. The primary logic originally offered for the creation of these differentiated degrees – different students needing different skills for a local market – does not hold up in the case of popular regional liberal arts degrees such as English Studies and Psychological Sciences. Thus the material effect of differentiation is to create a two-tiered credentialing system that may have lifetime impacts on regional students’ future earnings.

In the current post-restructuring, RCM-pressured environment at Miami Regionals, there is immense pressure on new regional departments to attract majors and fill courses. Regional faculty who are forcibly dually appointed in both English and the new regional Department of Literatures, Languages, and Writing (LLW), for example, are anxious to “grow” the new English Studies major so that LLW can make the case to hire tenure-track faculty members, receive funds, and contribute to the new campus environment. In practical terms, this incentivizes such faculty to discourage students from majoring in English (the Oxford-based degree) and to encourage them to major in English Studies (the regional-based degree), actually generating the kind of competition the administration sought to prevent through restructuring. Individual faculty members are asked to be “entrepreneurial” and to become

<sup>24</sup> Meeting minutes (Miami University Board of Trustees, 2014, December 5, p. 13).

[https://www.miamioh.edu/files/documents/about-miami/president/bot/Minutes\\_12-05-14.pdf](https://www.miamioh.edu/files/documents/about-miami/president/bot/Minutes_12-05-14.pdf)

<sup>25</sup> See W.E.B. Du Bois (1994, pp. 25-36), *The Souls of Black Folk*, especially chapter III, “Of Mr. Booker T. Washington and Others.”



newly involved in marketing, recruitment, and other tasks historically performed by Admissions and Communications and Marketing. Ironically, then, the administration's fear about competition among campuses – presumably a problem to be solved by restructuring – was *created by* restructuring.

In open fora with faculty, staff, and students, regional students spoke out against differentiation. Students also addressed University Senate to argue that differentiation reflected Miami's low opinion of regional students and faculty. One argument both students and faculty made (verbally and in writing) was that regional students deserve the same quality, marketable degrees that Oxford students receive.<sup>26</sup> In other words, if the marketability of regional students' education was in fact a top concern addressed by differentiation, then it would seem that a recognizable degree – such as a bachelor's degree in psychology – would best serve those students on the job market. While the regionals have not yet graduated a student with one of the differentiated degrees, it is doubtful that a “psychological sciences” degree with a regional campus designation on the diploma will resonate with employers in the same way as a “psychology” degree from Miami-Oxford.

Materially, regional students *are* different from Oxford students. Miami Regionals are open admission institutions with a mission to serve underrepresented and historically disadvantaged students. Thus, regional students are more socioeconomically diverse. Many of them work full-time and care for families while working toward completing their degrees. Many are first-generation college students. These are students who do not need an additional layer of inequality – “differentiated” degrees and diplomas – that may constrain their future job prospects and earnings.

#### IV. Mechanisms of Change: CLAAS Struggle

Faculty and students were unable to change the course of regional differentiation, and its effects will be felt for years to come; however, resistance to the top-down partitioning process did bring faculty together. Shared governance had been withering at the university for some time, and the regionals controversy jarred faculty into awareness of their lack of agency and power. As the restructuring process entered its last stages in spring of 2014, a group of faculty founded an AAUP Advocacy Chapter. AAUP is a national advocacy group

<sup>26</sup> See, for example, the “Open Statement from English” sent to President David Hodge, the Miami Board of Trustees, Provost Ray Gorman and Regional Dean G. Michael Pratt, October 1, 2014: “We are skeptical of one-size-fits-all claims regarding the autonomy of regional campus programs, the service of students from southwest Ohio and the immediate tri-state area, and the desirability of certain types of academic majors for our current Miami students or prospective students. [...] [T]raditional degrees are economic drivers, despite the common misperception that degrees focusing on more ‘applied’ knowledge are automatically more economically sustainable than liberal arts degrees.” In Regionals Task Force, Group Open Letters (Miami University English Department, 2014, October 1). <http://miamioh.edu/regionals/about/leadership-administration/regional-upgrade/task-force/group-open-letters/index.html>.

with chapters (some of them collective bargaining units) housed at universities across the country.

Regional faculty were the first to invite representatives of AAUP to meet with faculty members in 2014, realizing that allying with a national academic labor support organization could offer useful knowledge and exposure and add to their power. In Fall of that year, a group of professors in Oxford met to discuss their dissatisfaction with shared governance in recent years. The groups recognized their shared goals and an AAUP chapter was formed. With the help of the student newspaper, which published multiple articles about the chapter's activism, membership rose quickly, and the chapter is now the largest in Ohio.

Had Miami's AAUP chapter been formed earlier, it might have had some influence on the future of the regionals, but the Board of Trustees had already voted to establish core elements of differentiation in 2012. By 2014, it was too late for the chapter to do much beyond publicly voicing the dissent and dissatisfaction of faculty. But the chapter's vigorous new presence alerted administration that faculty had awoken from slumber and would be watching governance practices more closely from now on. Amidst public pressure from the chapter, Miami hired a president in 2015 who claims to value an active role for faculty in shared governance. Unlike the previous president, who implemented restructuring, the new president is willing to meet and work with the AAUP chapter. And since the chapter formed, the administration has made efforts to be more transparent and public about university budgeting priorities. It also announced the first raise for part-time contingent faculty – a key concern – in twenty years. To prevent recurrence of the shared-governance failure that enabled restructuring to go forward, the AAUP chapter introduced legislation to University Senate to make the process by which academic divisions, departments, and programs are formed, altered, and dismantled more transparent and to allow faculty more of a voice in pending changes, especially at early stages.

Pressure from AAUP may help to prevent the top-down decision-making process that defined regional restructuring from becoming a blueprint for future changes at Miami. The chapter's membership continues to include faculty from all campuses. Regional faculty – whose hands were tied during the differentiation process – are a valuable source of shared knowledge for main-campus faculty. The chapter, along with its state and national organizations, raises faculty awareness and offers a set of resources, a knowledge base, and a source of shared identity and power that could increase as the chapter grows larger, especially if it achieves collective bargaining rights.

Regional campus restructuring at Miami is part of a larger pattern in which the neoliberal university creates and reinforces inequality. Deprived of public funds that would manifest a

state commitment to higher education as a public good, academia is increasingly dysfunctional. It faces, among other problems, corporatization of its mission through market-oriented strategies, sharp decreases in job security for instructors (undermining academic freedom), and a corporate-style management model that weakens shared governance. Tactics such as those used during Miami's restructuring, which borrow from an imperialist playbook to establish, reinforce, and deepen divisions among populations, are one part of a multi-front strategy that disempowers less-privileged communities. While AAUP (and similar) chapters and collective bargaining units are not the only solution to the problem of the neoliberal university, faculty advocacy and activism may raise awareness, leading to the formation of national and international "communities of counter-conduct"<sup>27</sup> key to resisting some of the most pernicious effects of neoliberalism in higher education.

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<sup>27</sup> See Michel Foucault (2007, p. 210) *Security, Territory, Population: Lectures at the Collège de France, 1977-1978*.

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Corresponding author contact: [cohenje@miamioh.edu](mailto:cohenje@miamioh.edu)

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## Fuzzy Privatization and Decline of Democracy at the University of Helsinki

Taavi Sundell and Teivo Teivainen<sup>1</sup>

University of Helsinki, Finland

### Abstract

Privatization is often used as a self-evident concept, overlapping with corporatization, marketization, commodification and neoliberalization. Our analysis, focusing on changes in the legal status and decision-making procedures at the University of Helsinki, explores the fuzzy nature of privatization. One of our claims is that the fuzziness helped prevent efficient resistance and therefore also enabled less democratic forms of governance.

We will explore the ambiguous nature of the privatization process. We will analyze argumentative strategies about the reforms, focusing on explicit and implicit references to the processes of privatization and corporatization. The role of fuzziness became less important once privatization had taken crucial steps. At that moment, the argument that in some important sense the university had become part of the sphere of private economy became a justification for transforming the decision-making system of the university. References to the university being increasingly private, financially autonomous, and economically responsible become justificatory tools for dismantling democratic elements of the university's decision-making system. We will also analyze how privatization can affect democracy through changes in the allocation of public funding to universities.

**Keywords:** Finland, University of Helsinki, higher education, privatization, economism, democracy

### Introduction: Political Implications of Fuzziness

Asking a simple question can lead to complicated answers. The question we like to ask our colleagues or students at the University of Helsinki is whether our Alma Mater is a public or a private institution. The responses often express confusion and ambiguity, and sometimes fall evenly into both options. This contrasts with the tendency to regard privatization as a self-evident concept, sometimes used near-synonymously with corporatization, marketization, commodification or neoliberalization.

Our analysis will explore the fuzzy nature of privatization. Focusing on changes in the legal status, decision-making and funding of the University of Helsinki, we will argue that the fuzziness helped prevent efficient resistance to the reforms that resulted in the previously public university increasingly forming part of the private economy. We will point to some changes over time in the argumentative strategies of the privatizers. Once the university had

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<sup>1</sup> We have written this article as equal partners and our names appear in alphabetical order. Taavi Sundell's work on this article was supported by a Finnish Cultural Foundation grant for doctoral research.

entered the private economic sphere, this new status became a key justification for dismantling democratic decision-making mechanisms of the university.

For struggles around university reform, and other privatizing reforms as well, it can be useful to understand how the process may go through different stages. In our case, privatization at first advanced without clearly speaking its name. There was lack of clarity about the goal of becoming an increasingly private institution. At some point, however, the previously fuzzy and unspoken goal of privatization became a more explicitly spoken premise for a further goal of transforming the decision-making system. The changes in argumentative strategies were never total, and different forms of argument coexisted in all times. In this brief analysis, we cannot provide a full explanation of the reasons for fuzziness, but we explore its strategic implications. Even if we claim that certain arguments were strategically or tactically useful for advancing certain goals, we do not make any totalizing claims about the intentions of the actors that we study.

As pointed out by Andrew McGettigan (2013, p. 5), creeping reform of higher education is inconsistent with democratic oversight. This in itself can be a reason to resist such attempts to transform universities. Add to this the recent dramatic funding cuts for higher education in Finland,<sup>2</sup> as well as the more general trend towards academic capitalism and corporate culture within the Nordic academia (*Nature*, 2016, p.315), and one can be even more troubled by these processes.

### Privatization and Democracy

Following a typology put forth by Stephen Ball and Deborah Youdell, a distinction can be made between privatization *in* public education (endogenous privatization) and privatization *of* public education (exogenous privatization).<sup>3</sup> Endogenous privatization involves “the importing of ideas, techniques and practices from the private sector in order to make the public sector more like business and more business-like”. Exogenous privatization entails “the opening up of public education services to private sector participation on a for-profit basis and using the private sector to design, manage or deliver aspects of public education” (Ball and Youdell, 2007, p.13; Verger, 2016, pp. 65–66).

Endogenous and exogenous privatization are partially overlapping categories, but for our purposes the typology is analytically useful. Our focus will be on processes of endogenous privatization in the University of Helsinki. It has often cleared the way for exogenous

<sup>2</sup> *Times Higher Education*, “Finland funding cuts a ‘catastrophe’ for research”, 17 January 2017. Available from: <https://www.timeshighereducation.com/news/finland-funding-cuts-catastrophe-research> [accessed 22/01/17].

<sup>3</sup> While focusing on primary and secondary education in their own research, Ball and Youdell note that these privatizing tendencies “are found at all levels of education.” Ball and Youdell, 2007, p. 12.

privatization (Ball and Youdell, 2007, p.13).<sup>4</sup> Both forms also share the tendency to remain hidden from public debate. In the case of endogenous privatization, according to Ball and Youdell (2007, p. 13), this is often due to the fact that its *“techniques and practices are not named as privatization”*.

Our findings mostly support the claim of Ball and Youdell about the avoidance of naming privatization. In addition, our analysis emphasizes its political usefulness. The fuzziness that characterizes some of the privatization techniques may enhance the political feasibility of crossing the boundary from public to private. Once the boundary has been crossed, however, a new set of arguments steps in.

We tentatively identify two argumentative strategies during the process that takes universities out of the public sector. Their sequencing can be an important tool for dismantling one of the aspects that has in recent decades characterized public universities in places like Finland: internal democratic governance. The first argumentative strategy involves proceeding toward privatization without stating it, creating fuzziness about the direction of the reforms. The second, however, consists of arguing that something has become necessary because a fundamental step of privatization has already been taken. In our case, the most relevant strategy of this kind means arguing that democratic elements in the decision-making system of the university need to be dismantled because the university has a new economic and legal status.

The degree of democracy has obviously never been total, but in an evaluation of the University of Helsinki just before the reforms of 2009 that we will analyse below, “democratic and participative governance” was identified as one of the university’s key strengths (Saari and Frimodig, 2009, p. 68).

We use the term “economism” to refer to the doctrine according to which private economic institutions should not be subject to democratic norms (Teivainen, 2002). The connection between privatization of an institution and the establishment of business-like and thus non-democratic forms of decision-making means that pro-privatization steps are often understood to imply anti-democratic consequences. If democratic norms are widely accepted within an institution, it is thus likely that open attempts for privatization may encounter resistance. Therefore, as we will now analyze in more detail, fuzzy steps can result in advances toward a goal that does not dare speak its name.

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<sup>4</sup> When charging tuition-fees from non-EU/EEA students, providing other forms of for-profit education, or selling consultancy services to governments bent on learning about the Finnish education system, the University of Helsinki is already profiting from exogenous privatization of education.

### Becoming Private Through Law

In the Finnish debates leading to the Universities Act of 2009, “privatization” was a term that the reformers of the law wanted to avoid. When the parliament debated the reform in April 2008, the opposition expressed its worry about privatization of the universities.<sup>5</sup> Prime Minister Matti Vanhanen strongly denied the claims: “It is not about privatization”.<sup>6</sup> One of us was head of the political science department of the University of Helsinki at the time, and engaged the rector in various debates in 2007–2009 about whether the planned reforms would mean privatization. The rector and others defending the reforms within the university’s top management avoided calling them privatization.

The near-consensus on the benefits of having a public education system meant that arguing directly for privatization of any part of Finnish education would have been politically hazardous. The consensus was stronger around secondary education, where the international PISA test comparisons had given Finnish public education an aura of excellence. Yet, even in higher education an outright campaign for privatization would have been likely to trigger considerable moral and political outrage.

Once the new law had passed, however, there were immediate novelties that made the previous this-is-not-privatization discourse seem at least partly misleading. A more anecdotal novelty was an employment form, related to a part-time administrative recruitment, that was sent back to our political science department from the municipal employment office. The original form had been sent by the head of department, as always before in similar cases, to the office dealing with public employers like the university. “As a private employer”, the response stated, “you need to address a different office”.

A related institutional novelty was that the universities had suddenly joined Employers’ Association of Private Educational Institutions. The affiliation with this private employers’ union took place over the summer holidays without any public debate. The explicit aim of the union was to advance the interests of private education providers. It soon made a set of proposals, among which was a “*significant weakening of the employees’ representative and labor protection systems*”, as described by the university employees’ unions that announced they might respond with industrial action.<sup>7</sup>

<sup>5</sup> Patomäki (2005) had already provided an early analysis of the coming privatization of Finnish universities.

<sup>6</sup> Täysistunnon pöytäkirja 36/2008 vp, PTK 36/2008 vp 36. 10.4. 2008 kello 16, Tarkistettu versio 2.0. Available from [accessed 21/01/17]:

<https://www.eduskunta.fi/FI/vaski/sivut/trip.aspx?triptype=ValtiopaivaAsiakirjat&docid=PTK+36/2008+skt+puh+63>

<sup>7</sup> “University sector warned of industrial actions”. Press release by Negotiation Organisation for Public Sector Professionals JUKO, The Trade Union for the Public and Welfare Sectors JHL and The Federation of Salaried Employees Pardia. 4.3.2010. Available from: [http://www.pardia.fi/in\\_english/?x126=1392469](http://www.pardia.fi/in_english/?x126=1392469) [accessed 21/01/17].

The signifier “private” thereafter became “independent” in the name of the employers’ union, currently Association of Finnish Independent Education Employers.<sup>8</sup> Nevertheless, it continues to form part of the Confederation of Finnish Industries, widely considered the most important collective representative of Finnish capitalists. The main task of the Confederation is to “*make Finland an internationally attractive and competitive business environment*”.<sup>9</sup>

While these changes indicated a move from a public toward a private institution, one should not draw hasty conclusions about privatization pure and simple. When the universities ceased to be state entities and the academic employees were no longer civil servants, the University of Helsinki along with most Finnish universities became “corporations subject to public law”. Some other universities, according to the legal jargon, became “foundations subject to private law”. Whether subject to public or private law, according to the Tax Administration, all Finnish universities had ceased to be part of the state.<sup>10</sup>

A further example of the fuzziness was that even if the universities had become private employers, Statistics Finland decided that the dependence from the state was still of such magnitude that for statistical purposes they should be considered part of the public sector.<sup>11</sup> One of the main justifications for defining the universities as public entities, even after the changes of 2009, is based on the fact that their funding still comes mainly through state budget. On the other hand, the new law implied a possibility that a Finnish university could go bankrupt.<sup>12</sup> As this meant, in principle, an increased economic responsibility of the individual decision-makers of the university, it was sometimes used to justify giving more powers (and higher salaries) to individual leaders as opposed to collective departmental and faculty councils. The law itself, however, also guaranteed governmental core funding that made the possibility of bankruptcy practically nil.

According to recent figures, roughly 60% of the University of Helsinki’s operating expenses are covered by governmental core funding. Furthermore, the so-called external funding that covers 35% of these expenses – 5% being covered by revenues from investments – also comes in large part from public sources, such as the Academy of Finland and ministries.<sup>13</sup> A related indicator of publicness has been the lack of tuition fees. The latter is partially

<sup>8</sup> The official name in Finnish is shorter, Sivistystyönantajat, and refers to the Humboldtian ideal of education as *Bildung*.

<sup>9</sup> Available from: <https://ek.fi/en/> [accessed 21/01/17].

<sup>10</sup> “Uusi yliopistolaki ja kansainväliset tilanteet”, issued on 27 January 2010. Available from: [https://www.vero.fi/fi-FI/Syventavat\\_veroohjeet/Kansainvaliset\\_tilanteet/Uusi\\_yliopistolaki\\_ja\\_kansainvaliset\\_til](https://www.vero.fi/fi-FI/Syventavat_veroohjeet/Kansainvaliset_tilanteet/Uusi_yliopistolaki_ja_kansainvaliset_til) [accessed 11/01/17].

<sup>11</sup> “Yliopistojen sektoriluokitus”. Tilastokeskuksen päätös 30.10.2009. Available from: [https://www.stat.fi/static/media/uploads/meta/luokitukset/yliopistot\\_paatos.pdf](https://www.stat.fi/static/media/uploads/meta/luokitukset/yliopistot_paatos.pdf) [accessed 21/01/17].

<sup>12</sup> Yliopistolain 3/2009, “Lain molemmin puolin”, p. 9.

<sup>13</sup> University of Helsinki’s key financial figures. Available from: <https://www.helsinki.fi/en/university/the-universitys-key-financial-figures> [accessed 06/01/17].

changing with the establishment of tuition fees for degree students from outside the European Union and European Economic Area.

### **De-democratization of Internal Regulations**

The internal decision-making structures of Finnish universities have since the 1970s been a combination of academic guild traditions, collegial practices and democratic mechanisms (see Välimaa, 2001, p. 38). The balance between these at times contradictory logics has varied in Finnish universities in different periods and institutions. They have also been given somewhat different definitions.

Toward the end of the 1960s, struggles for internal democracy in the University of Helsinki, as well as many other universities, typically aimed for the principle “one person, one vote” in the election of representatives for the decision-making bodies. This principle would have given the students considerable power over professors and other staff members. Not surprisingly, it was strongly opposed by the academic elite.

When a law proposal was introduced to implement democracy in this form, the *Manchester Guardian* reported that “the greatest student revolt of all time” is taking place in Finland, calling it an “academic horror story”. Even though the students received support for their demands at times even from the Ministry of Education, finally in 1973 the bill to implement democracy in this form was not passed by the parliament (Eskola, 2002, pp. 301–302).

By the late 1980s, various Finnish universities had gradually implemented partial democratic reforms, but at the University of Helsinki practically all decision-making was concentrated in the hands of the full professors. An occupation of the administration building of the university in 1990 triggered a rapid change in the Helsinki situation. The occupiers were mostly young students with slogans that sometimes compared the professorial power to the crumbling systems of rule in the Soviet Bloc. Even if the method of occupation was radical in the Finnish context of the time, the demands seemed in tune with the times of democratic reforms in Eastern Europe and Latin America. The occupiers stayed at the building until representatives of the key political parties visited them to express support for the demands. The occupation was in many ways a success.

After a new university law and internal regulations were passed, most of the decision-making bodies had a tripartite organization. It was not the one-person-one-vote system that the protesters of the 1960s and 1970s had asked for. It meant that full professors, “mid-ranking staff”, and students, each as a group, had a (mostly equal) representation in the councils that made many of the key decisions. In contrast to the democratic direction of



these reforms, the role of the rector was also transformed. The rectors were to become less like a *primus inter pares*, and more like CEOs of the university with strong executive powers (Majamäki, 1995, p. 54; Uusitalo, 1995, pp. 116–121). In any case, in retrospective the ensuing two decades can be characterized as a relatively democratic interregnum.

As described in the previous section of this article, a new university law was passed in 2009, preceded by an unwillingness to openly declare its implications. Once the law became effective, the formal status of the university metamorphosed into a fuzzy combination of public and private elements. A passionate debate on the implications of the new legal status for the internal decision-making system of the university emerged.

In the University of Helsinki, the rector and top managers argued for a new system in which the deans and heads of department would be appointed from above rather than elected by the tripartite councils as had been the case since the early 1990s. The proposal triggered a strong response by practically every representative group of the university. With the 2009 reforms that mostly followed the logic of New Public Management, the tripartite councils had already been stripped of much of their power in, for example, decision-making over academic appointments. Stripping also their power to elect their leaders (deans and heads of department) was widely perceived as destroying most of what was left of principles of academic democracy that had been inaugurated with the occupation of the administration building in 1990. Finally, for the moment, in 2009 the internal regulations of the University of Helsinki left the election of deans and heads of department mostly in the hands of the tripartite councils. In other universities of Finland, the dismantling of internal democratic decision-making had already proceeded faster and further.

In 2014, the top management of the University of Helsinki made a new and more concentrated effort to break the power of the councils in the appointment of academic leaders. One of the arguments was “flexible recruitment”. It implied that if the deans and heads of department are elected by the councils, there is not enough room for the kind of confidentiality that modern recruitment procedures in a business-like environment demand. Even if the university was no longer an old-style public entity, previous rules of transparency prevalent in Finnish public administration had been mostly maintained. Concentrating recruitment in the hands of top managers, rather than the councils, was widely perceived to decrease the level of transparency.

It was also argued that in order to have a smoothly functioning chain of command, leaders should be selected by their superiors rather than elected by their subordinates. The top management of the university sometimes used the additional argument that the power of the tripartite councils to elect deans and heads of department was in contradiction with the

new law of universities. The latter argument was used mostly in non-public contexts since its falsehood was easy to demonstrate. The Universities Act of 2009 had left questions like the election of deans to be internally decided by the universities themselves.

Overall, the general line of argumentation about decision-making was that the university had an increasingly business-like nature, in both legal and practical terms, and the decision-making procedures had to be “depoliticized”<sup>14</sup> accordingly. In 2014, a new internal regulation was passed by the board of the university. It stripped the councils of the power to elect the deans and heads of department, even if this change was opposed by most of the organized bodies and unions of the university, apart from the board in which almost half of the members were from outside the university (as stipulated by the Universities Act of 2009).

### Changing Role of Public Funding

Fuzzy privatization within Finnish higher education can also be detected in the ways the government funds the universities. The funding has been reconfigured in ways that raises questions about privatization and its implications for democratic governance. Much ink has been spilled over whether external members at university boards erode the autonomy of the universities guaranteed by the Finnish constitution. Less attention has been given to how external funding has been used to privatize decision making about higher education.

One of the stated aims of the Universities Act of 2009 was to enable the Finnish universities to diversify their funding bases. Also, as the universities were detached from the state, their initial capitalization was required in order to “safeguard their financial standing, solvency and creditworthiness.”<sup>15</sup> Donations were identified as one future component of more diverse income streams. In order to help universities attract donations, the government decided to match these with public money.

To this end, organizations have been eligible for tax deductions for donations of EUR 850–250,000 since 2008. Between 2008 and 2013, the Finnish universities collected EUR 332 million, which the government matched with a 2:5 ratio, resulting in a total of EUR 831 million.<sup>16</sup> When the initial decision on tax deductibility was taken, the Minister of Education emphasized that donations will only supplement (and not replace) public funding. She attached great importance to the fact that the government was committed to providing the

<sup>14</sup> Kimmo Nuotio, “Vaali vai rekrytointi?”, 17 October 2014, accessed 20 January 2017, available from:

<http://blogs.helsinki.fi/oikeustieteellinen/2014/10/17/vaali-vai-rekrytointi-dekaanin-valinnasta-ja-tehtavasta/>

<sup>15</sup> Ministry of Education and Culture. Accessed 21/01/17, available from:

[http://www.minedu.fi/OPM/Koulutus/koulutuspolitiikka/Hankkeet/Yliopistolaitoksen\\_uudistaminen/?lang=en](http://www.minedu.fi/OPM/Koulutus/koulutuspolitiikka/Hankkeet/Yliopistolaitoksen_uudistaminen/?lang=en)

<sup>16</sup> Ministry of Education and Culture. Accessed 10/01/17, available from:

[http://www.minedu.fi/OPM/Koulutus/koulutuspolitiikka/Hankkeet/Yliopistolaitoksen\\_uudistaminen/?lang=fi](http://www.minedu.fi/OPM/Koulutus/koulutuspolitiikka/Hankkeet/Yliopistolaitoksen_uudistaminen/?lang=fi)

universities with core funding sufficient to cover their rising costs.<sup>17</sup> This was to be achieved by tying public funding to a so-called university index.

Between 2014 and 2017, the government will match donations from private donors with a 1:3 ratio up to EUR 150 million. Since 2016, also private individuals and estates have been eligible for tax deductions for donations of EUR 850–500,000 to publicly funded universities.<sup>18</sup> The current Minister of Education and Culture, Sanni Grahn-Laasonen, and her center-right National Coalition Party, have further proposed raising these figures to 1:5 and EUR 1 billion, and removing limits on the amount eligible for tax deductions for private individuals' donations. These matched funds would be covered by government divestment from companies in which it is a minority shareholder or by selling non-strategic state-owned enterprises.<sup>19</sup> In this sense, the new funding mechanisms of the universities have also been used to justify a more general privatization of the state.

Tax deductibility has not only been supported but also actively promoted by the top management of the Finnish universities.<sup>20</sup> Universities Finland UNIFI<sup>21</sup> has recently argued that the removal of limits on deductions should be turned into a permanent arrangement. This would *"provide an opportunity consistent with Western university practices to enhance private individuals' role"* as supporters of these institutions.<sup>22</sup> UNIFI's predecessor, Finnish Council of University Rectors argued as early as 2002 for the introduction of tax deductions.<sup>23</sup> The International Monetary Fund has also argued after its recent consultation with Finland that tax credits to boost Finnish R&D *"should be explored further"*.<sup>24</sup>

While tax breaks and charitable donations might be *"consistent with Western university practices"*, one can question their consistency with what could be called Nordic university practices based on the idea of higher education as a decommodified space. According to Rinne (2000, p. 134), the Nordic model has been characterized by its understanding of

<sup>17</sup> Ministry of Education and Culture. Available from: <http://www.minedu.fi/OPM/Tiedotteet/2008/09/verovahennysoikeus.html> [accessed 21/01/17].

<sup>18</sup> University of Helsinki. Available from: <https://www.helsinki.fi/en/cooperation/tax-deductible-donations-and-governments-matched-funding-scheme> [accessed 06/01/17].

<sup>19</sup> National Coalition Party. Available from: <https://www.kokoomus.fi/uutiset/kokoomus-esittaa-miljardin-paaomitusta-yliopistoille/> (accessed 06/01/17).

<sup>20</sup> Turun Sanomat, 4 January 2016. Available from [accessed 11/01/17]: <http://www.ts.fi/uutiset/kotimaa/839723/Yliopistot-toivovat-verovahennyksen+piristavan+varainkeruuta>

<sup>21</sup> Universities Finland UNIFI is a co-operational organization for Finnish universities. All Finnish universities are its members. Its predecessor, Finnish Council of University Rectors was founded in 1969 to counter demands for the introduction of "one person, one vote" mode of internal governance to Finnish universities (Eskola, 2002, p. 300).

<sup>22</sup> Universities Finland UNIFI. Available from: <http://www.unifi.fi/uutiset/unifi-edellyttaa-yksityishenkiloiden-lahjoitusvahennyksen-ottamista-kaytoon-pysyvasti/> [accessed 06/01/17].

<sup>23</sup> "Yliopistojen taloudellinen autonomia", Finnish Council of University Rectors. Available from [accessed 13/01/17]: [http://www.helsinki.fi/halvi/srno/lausunnot\\_ja\\_kannanotot/julkaisut%20raportit/autonomia.pdf](http://www.helsinki.fi/halvi/srno/lausunnot_ja_kannanotot/julkaisut%20raportit/autonomia.pdf)

<sup>24</sup> IMF Country Report No. 16/368, November 2016. Available from: <http://www.imf.org/external/pubs/ft/scr/2016/cr16368.pdf> [accessed 13/01/17].

education as an *“essential, universal civil right to be offered free of charge”*, through *“publicly organized, comprehensive provision of education”*. In this model, education is provided by the state, as it is considered the *“ultimate and indisputable ‘spearhead’ of progress, equality and affluence”* (Rinne, 2000, p. 135).

While donations to Finnish universities have thus far remained on a level which does not undermine the government’s role as the primary funder, the situation may be changing. The 2009 Universities Act guaranteed the universities sufficient public funding and tied this to an index. However, as soon as 2011, the parliament decided to cut the university index by 50 percent for 2012. For 2013 it was totally suspended. After a return to “normalcy” in 2014, the index was first halved for 2015–2016, and now it has been suspended for 2016–2019. Finnish universities have recently faced unprecedented budget cuts due to the government’s austerity measures.<sup>25</sup> Our own institution reacted to the cuts by reducing its staff by nearly a thousand.

While private donations were initially introduced as a mere supplement to sufficient government funding, one can begin to detect a slight shift in arguments regarding their future role. As one of the current government’s key strategic projects, the universities will be recapitalized. The project bearing the subtle title of *“Intensified Cooperation Between Higher Education and Business Life to Commercialize Innovations”*, sets out to *“make maximum use of scientific and research resources and to boost education exports”*. As one of the criteria for the provision of capital from public sources, *“special attention will be paid to the ability to raise external funding”*.<sup>26</sup>

Furthermore, a group of high profile economists stated in a recent report commissioned by the Minister of Finance that considering the budgetary limitations and the government programme, a further capitalization of the universities might be the most realistic way to compensate for the recent cuts. The report argued that the capitalization should be conditional on the implementation of structural reforms set by the government for the universities.<sup>27</sup> According to one of its authors, capitalization as a mode of funding could also steer the universities towards financially responsible behavior since *“when the money becomes universities’ capital, they surely consider carefully where to use it.”*

<sup>25</sup> Times Higher Education, “Finland funding cuts a ‘catastrophe’ for research”, 17 January 2017. Available from: <https://www.timeshighereducation.com/news/finland-funding-cuts-catastrophe-research> [accessed 22/01/17].

<sup>26</sup> Prime Minister’s Office, “Action plan for the implementation of the key project and reforms defined in the Strategic Government Programme”, February 2016. Available from: <http://valtioneuvosto.fi/documents/10616/1986338/Action+plan+for+the+implementation+Strategic+Government+Programme+EN.pdf/12f723ba-6f6b-4e6c-a636-4ad4175d7c4e> [accessed 21/01/17].

<sup>27</sup> “Talouspolitiikan suunta”, 25 August 2016. Available from: <http://vm.fi/documents/10623/1985149/Talouspolitiikan+suunta+-muistio/8595fe04-3353-42b1-b38a-dd6136ba2e62> [accessed 19/01/17].

Shortly after the report was presented to the Minister of Finance, the Minister of Education and Culture announced that the government will recapitalize universities with hundreds of millions of euros. The details of the plan are yet to be announced, but as before, the Minister suggested that the funds could be made available by selling government property.<sup>28</sup> Recapitalization through privatization has become an important option to fund the universities. The Minister of Education and Culture has argued against increasing core funding from state budget because of Finland's *"weak economic growth and mounting debt"*.<sup>29</sup>

A new step in these developments took place in January 2017. The Research Institute of the Finnish Economy (ETLA), whose managing director was one of the authors of the report commissioned by the Minister of Finance, released a memo addressed to the government.<sup>30</sup> It stated that while it would not be realistic to cancel the recent funding cuts, it is still necessary to strengthen the funding of education and research. The memo proposed a recapitalization along the lines of EUR 2 billion. Now, however, it was also argued that a more long-term solution for Finnish universities' funding would call for a more *"sustainable solution"*: tuition fees also for Finnish students.

We defined economism above as a doctrine according to which private economic institutions should not be subject to democratic norms. The combination of tax deductions and matched funding means that private capital has increased possibilities to steer higher education. In this way, societal decision-making about universities is being transferred to non-democratic institutions. Economism is thus gaining ground both within the increasingly business-like universities and the increasingly business-like state.

Initial information on the 2014–2017 round of fundraising<sup>31</sup> shows that universities well connected to private capital will receive significantly more public money than might be merited by their size and standings in international rankings. No correlation necessarily exists between a university's size, ranking, and quality. As these correlations have been fetishized by recent governments, however, new privatized forms of decision making not

<sup>28</sup> Aamulehti, "Nyt putosi toinen koulutuspommi", 17 October 2016. Available from: <http://www.aamulehti.fi/kotimaa/nyt-putosi-toinen-koulutuspommi-korkeakoulujen-paaomitus-voikin-olla-miljardiluokkaa-24003848/> [accessed 21/01/17].

<sup>29</sup> Turun Sanomat, "Hallitus lupaa yliopistoille satoja miljoonia euroja", 16 October 2016. Available from: <http://www.ts.fi/uutiset/kotimaa/2962235/Hallitus+lupaa+yliopistoille+satoja+miljoonia+euroja> [accessed 22/01/17].

<sup>30</sup> ETLA, "Muistioita hallitukselle: Talouspolitiikan linjaus keväällä 2017", 12 January 2017. Available from: <https://www.etla.fi/wp-content/uploads/ETLA-Hallitukselle-2017.pdf> [accessed 22/01/17].

<sup>31</sup> Taloussanomat, "LM: Yliopistot keränneet 102 miljoonan euron lahjoitukset", 14 January 2017. Available from: <http://www.iltasanomat.fi/taloussanomat/art-2000005045375.html> [accessed 22/01/17]; Turun Sanomat, "Yliopistot toivovat verovähennyksen piristävän varainkeruuta", 4 January 2016. Available from: <http://www.ts.fi/uutiset/kotimaa/839723/Yliopistot+toivovat+verovahennyksen+piristavan+varainkeruuta> [accessed 22/01/17].

only limit democracy but can also be counterproductive for the official higher education policies.

### First as a Tragedy, Then as a Farce

In 2016, fuzziness re-emerged. The Ministry of Finance surprised many by suddenly defining the universities as public institutions, even if the Universities Act of 2009 had established their legal status as private employers. A key reason for this redefinition was to exclude the universities from a set of public benefits aimed for the private sector. These benefits were part of the “Competitiveness Pact” of 2016, a tripartite labour market agreement, that had assumed the universities belonged to the private sector.

The arguments of the Ministry of Finance triggered a critical reaction from the universities and their unions. Universities Finland UNIFI argued that it was simply wrong to classify the universities as part of the public sector.<sup>32</sup> The Finnish Union of University Professors and the Finnish Union of University Researchers and Teachers stated that the government was engaged in a cherry picking exercise made possible by the universities’ “odd” legal status. The unions argued that since the universities are “*subject to the forces of the wider international science and education markets*”, they should be entitled to benefits aimed for the private sector.<sup>33</sup>

The Finnish public sector employees’ holiday bonuses were reduced by 30 percent for the years 2017–2019.<sup>34</sup> Nevertheless, this was not applied to universities. In other words, and to make matters more confusing, even if the Ministry of Finance had redefined the universities as public institutions, in this case the universities were excluded from measures aimed at public sector employers. The University of Helsinki’s Director of Administration concluded that “*at times the university’s role as a public or private institution is hazy*.”<sup>35</sup>

While privatization is a useful analytical concept, it is not always clear when something has been privatized to the extent that we should consider it “private”. Emphasizing the fuzziness of the process may sound like nothing out of the ordinary, as all debates include at least some lack of conceptual clarity.<sup>36</sup> Our analysis, however, also regarded the lack of clarity as a political tool.

<sup>32</sup> Available from [accessed 27/16/16]: [http://www.unifi.fi/wp-content/uploads/2016/10/SiV\\_UNIFI\\_HE\\_valtion\\_talousarvioksi\\_vuodelle\\_2017\\_03102016.pdf](http://www.unifi.fi/wp-content/uploads/2016/10/SiV_UNIFI_HE_valtion_talousarvioksi_vuodelle_2017_03102016.pdf)

<sup>33</sup> Available from: <http://www.professoriliitto.fi/in-english/?x492864=559108> [accessed 27/12/16].

<sup>34</sup> Helsingin Sanomat, 10 November 2016, “Yliopiston lomarahat säästyvät täysin kiky-sopimuksen leikkurilta”. Available from: <http://www.hs.fi/kaupunki/art-2000002929510.html> [accessed 27/12/16].

<sup>35</sup> *Ibid.*

<sup>36</sup> See, for example, Kauppinen (2014), on various meanings of commodification in the context of higher education.



Our case study also lends support to Antoni Verger's (2016, p. 65) proposition that the way in which educational privatization has developed in most parts of the world does not necessarily imply "*drastic transfer of the 'ownership' of the education service from public to private hands*". According to him, privatization of education is a process taking place at different levels and with multiple policy manifestations. What these have in common is that they bring in private actors to participate in a range of activities which traditionally have been the responsibility of the state.

The processes and arguments leading towards further privatization of higher education can be fuzzy. One basis for resistance in the Finnish debates has been a defense of the Humboldtian *Bildungsideal*. Some of it was captured vividly in a demonstration against the recent funding cuts by a banner that stated bluntly: "*Rogamus urgeatis innovationes in culos vestros*".<sup>37</sup> Resistance can also at times result in an unwarranted nostalgia toward the "good old times", when the professors still yielded considerable power over students and other staff, and the university was an elitist institution not yet "ruined" by the massification of higher education. While modes of resistance can and should be many, we believe that the formulation of alternatives needs to go beyond nostalgia and imagine forms of academic democracy suitable for universities of the 21st Century.<sup>38</sup>

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<sup>37</sup> Helsingin Sanomat, 8 May 2016, "Älymystön kapina on kirjoja, latinan kieltä ja lyyran soittoa". Available from: <http://www.hs.fi/kulttuuri/art-2000002900041.html> [accessed 13/01/17].

<sup>38</sup> For one such attempt, see, Santos (2006), pp. 78–97. For an attempt to conceptualize the way in which universities are simultaneously embedded in, and affected by, intersecting global, national, and local forces, see, Marginson and Rhoads, 2002.

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**Author contacts:** [taavi.sundell@helsinki.fi](mailto:taavi.sundell@helsinki.fi), and [teivo.teivainen@helsinki.fi](mailto:teivo.teivainen@helsinki.fi)

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