



# Neoliberalism in European Higher Education Policy: Economic Nexus and Changing Patterns of Power and Inequality

Peter Streckeisen

Neoliberalism is a complex and multidimensional phenomenon. This contribution focuses on three different, although combined, aspects of the topic. First, the term neoliberalism designates the ascent of the economy to an ever more powerful position, dictating its rules to society and policymakers. This perspective is in line with Polanyi's (2014) concept of 'disembedding.' We are talking about the economy as a social system proper. Polanyi showed that the emergence of such a system was a sociohistorical innovation bearing tremendous consequences on the functioning of the social fabric. The process might lead to a situation where society would be a mere appendix of the economy. However, Polanyi also highlighted the fact that society defended itself against the market. For example, labour laws were issued in order to

---

P. Streckeisen (✉)

Department of Social Work, Zurich University of Applied Sciences,  
Zurich, Switzerland  
e-mail: p.streckeisen@unibas.ch

P. Streckeisen

Sociology Seminar, University of Basel, Basel, Switzerland

© The Author(s) 2018

C. Sin et al. (eds.), *European Higher Education and the Internal Market*,  
Issues in Higher Education, [https://doi.org/10.1007/978-3-319-91881-5\\_3](https://doi.org/10.1007/978-3-319-91881-5_3)

protect workers against the laws of the market. Thus, there is a back and forth movement in the conflictual relationships between market and society. In this perspective, neoliberalism appears as an era when the economy reaffirms its power and expands its domination. Since the 1980s and 1990s, we observe a displacement in the overall balance of power between the economy on one side, and society, politics, and culture on the other side. Among the factors triggering this displacement, globalization may be mentioned, as well as new information and communication technologies, or the rise of finance capital.

Second, neoliberalism means the rising power of economic thinking, and more specifically, of economic science. This perspective is in line with Foucault (2008). Economic science is not limited to the analysis of the economy any longer. It has expanded its jurisdiction to all kinds of social fields, from politics to culture, from the family to education. The conquest of hitherto inaccessible research and policy fields is called economics imperialism (Fine & Milonakis, 2009; Radnitzky & Bernholz, 1987). Human capital theorists such as Gary S. Becker are leading economics imperialists. While Pareto limited economics to the study of rational behavior (leaving irrational behavior to sociological scrutiny), Becker and his friends have extended the notion of rationality to such a degree that no field of human action may escape from it. Furthermore, economic science comprises not only economics, but also business administration. In many respects, these are antithetical disciplines. With reference to Bourdieu's (1998a) field of higher education, they can be situated in a twofold opposition: economics represents the autonomous pole, displaying theoretical coherence and mathematical modeling, whereas business administration is situated at the heteronomous pole, displaying conceptual eclecticism and a pronounced proximity to practical matters. Likewise, economics appears to be a matter of technical power (the power of numbers and models), whereas business administration can be described as a power technique. Whatever the differences, both disciplines have shown imperialistic tendencies during the last decades. Economics has expanded its scientific jurisdiction, whereas business has expanded its conceptual and practical jurisdiction to organizations outside the economy. Moreover, there has been some economization of business during the last decades, at least in the U.S.

(Fourcade & Kurana, 2013). At any rate, the relationships between the economy and economic science have been contingent and changing. If globalization of the economy goes hand in hand with globalization of economic science (Fourcade, 2006), these are distinct, although interconnected, processes: it is impossible to infer one from the other. Hence there is a need to focus on economic science as a specific dimension of neoliberalism, not reducible to the power of the economy as a social system.

Third, the term neoliberalism designates the changing patterns of power and inequality. Marxists such as Harvey (2005) are right to insist on social class: neoliberalism is not only about the power of the economy, but even more about the concentration of economic power in the hands of corporations, owners, managers, and investors. But Marxists tend to neglect other forms of power, notably political, cultural, and academic power sustaining neoliberalism. Wacquant's (2010) analysis of the neoliberal state helps us understand that neoliberalism is not only a bunch of policies, but also a dramatic transformation of the state itself, reaffirming the power of the state nobility opposed to the lower ranks of public sector staff, producing a remasculinization of the state, merging workfare and prisonfare, and so on. His description of the centaur-state, with a liberal face turned toward the middle classes and an authoritarian policy when it comes to control the poor, might show some analogy with tendencies in higher education policy. For today, universities are more and more constrained to deal with very heterogeneous audiences, and pushed to separate a higher academic track for a small elite from the very crowded degree programs resulting from extended access to higher education.

With these three aspects of neoliberalism in mind, this contribution discusses European higher education policy with respect to the following four levels: the system of higher education, higher education institutions, the academic profession, and the students. Special attention will be paid to the European Commission's communications: in a policy field where sovereignty rests with member states, European discourse proves to be an indispensable policy instrument (Sin, Veiga, & Amaral, 2016, pp. 48–56). However, notably concerning the academic profession and the students, the Commission's papers are not very substantial and my analysis draws on a variety of additional sources.

## The System of Higher Education

In today's Europe, higher education systems are quite different from one country to the other. Since the rise of the nation state in the nineteenth century, universities have been nationalized. They have become part of national systems of education, culture, and knowledge, moving away from a more European medieval tradition. Having this long history of universities in mind (Välilmaa, 2014), the Bologna Process appears to be an ambitious project, aiming at reversing the secular trend from nationalization back to Europeanization. However, the implementation of Bologna faces many problems and shortcomings (Sin et al., 2016).

In this process of making a European system, a powerful economic nexus exists with regard to the relations between the economy and the higher education system. Every paper of the European Commission insists on the same urgency: universities must change in order to increase the competitiveness of the European economy. The EU universities modernization agenda is part of the Lisbon strategy, with its target of Europe 'becoming *the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion*' (EC, 2003, p. 2), and of the Europe 2020 program. Thinking about the future in terms of a knowledge society inevitably leads to focusing the role of universities, because they are 'situated at the crossroads of research, education and innovation' (EC, 2003, p. 5). Therefore, the European Commission was eager to start a debate on higher education in the aftermath of its 2000 Lisbon conference. 'Making European universities a world reference' (EC, 2003, p. 11) is not an end in itself. Rather, universities should contribute to the success of this Europe of knowledge that policymakers are imagining: 'The knowledge society depends for its growth on the production of new knowledge, its transmission through education and training, its dissemination through information and communication technologies, and on its use through new industrial processes or services. Universities are unique, in that they take part in all these processes, at their core, due to the key role they play in the three fields of research and exploitation of its results, thanks to industrial cooperation

and spin-off; education and training, in particular training of researchers; and regional and local development, to which they can contribute significantly' (EC, 2003, p. 2).

The subordination of higher education to economic policy is a key feature of neoliberalism. Foucault (2008, pp. 215–238) shows that in neoliberalism, the goal of promoting economic growth addresses very diverse policy areas: with human beings conceived of as machines investing in their human capital, every aspect of social life must contribute to economic competitiveness. Education is particularly important in this regard, and human capital theory first developed with reference to this policy field. In EU higher education policy, urgency is claimed because Europe is supposed to face a serious threat of lagging behind its most prominent contenders, the U.S., Japan, and other emerging Asian countries. In its communication about 'mobilizing the brainpower of Europe,' the Commission (EC, 2005a, p. 3) makes the point on 'human capital and investment gaps': in EU countries, 'only 21% of the working-age population has achieved tertiary education, significantly lower than in the US (38%), Canada (43%) or Japan (36%), as well as South Korea (26%).' Regarding enrolment rates, the EU (52%) is 'slightly ahead of Japan (49%) but lags behind Canada (59%), and far behind the US (81%) and South Korea (82%).' Worst of all is 'research performance': 'While the EU educates more graduates in science and technology and produces more PhDs overall, it employs only 5.5 researchers per 1000 employees, which is marginally less than Canada and South Korea, but much less than the U.S. (9.0) and Japan (9.7).' This communication was released in the aftermath of the publication of the first Shanghai Academic Ranking of World Universities, displaying an overwhelming dominance of U.S. institutions.

With this urgency in mind, several points concerning the relations between universities and the economy score high in the EU modernization agenda. According to the European Commission, universities must produce more human capital (i.e. more graduates and researchers), better match labour market skills, and engage much more in business partnerships. In order to achieve this, they need more autonomy and higher funding. The Commission acknowledges that many European universities are severely underfunded. The funding gap between Europe,

the U.S. and Japan is said to be primarily due to the weak contribution of private funding in Europe. While private funding reaches 0.6% of GDP in Japan and 1.2 of GDP in the U.S., figures for the EU show a meagre 0.2% of GDP (EC, 2003, p. 12). For this reason, the European Commission urges universities to diversify their funding base. In a context of austerity, nation states will not spend more money on higher education. Universities therefore are supposed to increase income through higher tuition, business partnerships and cooperation with philanthropic foundations. It is interesting to see how the U.S. has become the leading example for European universities today, whereas at the beginning of, and still in the middle of the twentieth century, American universities tried to follow the path invented by the European research university (above all, the German model).

Competition, an economic notion of crucial importance, figures as a key word of European higher education policy today. But there is no clear-cut answer to the following question: Is the European higher education area supposed to be a competitive market or an area of cooperation, aiming at increasing the common attractiveness of European universities facing their American and Asian competitors? In the European Commission's communications one finds more reason-of-state thinking than economic reasoning about markets and competition within Europe. The Bologna Process rests on political rather than market coordination in the sense of Clark (1983, pp. 145–171). Nevertheless, several priorities of the modernization agenda concerning academic governance and funding aim at creating a more competitive environment within the European higher education area. The institutional autonomy of universities is supposed to be enhanced in order to allow for more entrepreneurial behavior. Funding mechanisms are to become more performance based, replacing the old regime of historically evolving budgets. Research shows that university reform in many member states followed this kind of orientation already between 1995 and 2008, that is before the Commission launched its modernization agenda (Jongbloed & de Boer, 2012).

A trade-off between political coordination and market coordination might be at stake in the debate about system differentiation. The U.S. has a highly differentiated system. There is competition between

public and private universities, and there exists a very strong hierarchy between a large number of institutions for the mass and a small number of research universities for the elite. The U.S. has some 4000 higher education establishments, but only 550 issuing doctorates, and 125 being considered as research universities (EC, 2003, p. 5). Thus, elite formation and high quality research are strongly concentrated. In sharp contrast to this situation, the European higher education area is far less differentiated. There is a lot of diversity between national systems, but each national system is rather homogeneous. In communications of the European Commission, this 'uniformity' and 'egalitarianism' are perceived as obstacles: '(T)here are deficiencies stemming from insufficient differentiation. Most universities tend to offer the same monodisciplinary programs and traditional methods geared toward the same group of academically best-qualified learners—which leads to the exclusion of those who do not conform to the standard model. Other consequences are that Europe has too few centers of world-class excellence, and universities are not encouraged to explain at home and abroad the specific value of what they produce for learners and society' (EC, 2003, pp. 3–4).

Maassen (2012) argues that market competition often tends to decrease differentiation because of isomorphism, each university trying to imitate the leading institutions. Therefore, there is a case for political coordination (a 'master plan') if the Commission wants to promote system differentiation. But what kind of differentiation does the European Commission aspire to? Reading its different papers, one hardly finds an answer to this question. In its 2006 communication, the Commission seems to subscribe to a thorough Americanization of the European system: 'Research should remain a key task of the system as a whole, but not necessarily for all institutions. This would allow the emergence of an articulated system comprising world-renowned research institutions, plus networks of excellent national and regional universities and colleges which also provide shorter technical education. Such a system would mobilize the substantial pool of knowledge, talent and energy within universities and would merit—and be in a position to generate—the increased investment needed to make it comparable with the best in the world' (EC, 2006, p. 4). However, in its 2011 communication,

the Commission hardly insists on system differentiation anymore (EC, 2011; see also Winckler, 2012). In the meantime, the EU sponsored a new ranking system reflecting the variety of higher education institutions. This tool, called U-Multirank, compares institutions not only with reference to research, but also to teaching quality, university business partnerships and contribution to regional development. While U.S. universities outperform their European and Asian competitors in research, they score less good in the other categories. On grounds of such diversified comparison, a case can be made in order to defend European specialties, for example, the comprehensive Humboldt university model or the universities of applied sciences. At any rate, and regardless of its current technical shortcomings, U-Multirank is an example of European policy trying to create alternatives to international competition based on criteria of American dominance. However, it relies on values (such as teaching, cooperation with business and contribution to regional development) which have a lower standing than research within the academic world. Hence, there is a dimension of making a virtue of necessity, and such a tool will not be able to challenge the hegemony of U.S. universities (Marginson, 2008).

## Higher Education Institutions

If at the system level, neoliberalism tends to subordinate higher education to economic policy, this means that universities are urged to develop closer ties with the economy. In the eyes of the European Commission, however, the aim is not to subjugate public institutions to private interests. Rather, university–business cooperation is supposed to create new opportunities for universities to enhance their agency and impact: ‘Structured partnerships with the business community (including small and medium enterprises) bring opportunities for universities to improve the sharing of research results, intellectual property rights, patents and licenses (for example through on-campus start-ups or the creation of science parks). They can also increase the relevance of education and training programs through placements of students and researchers in business, and can improve the career prospects of



researchers at all the stages of their career by adding entrepreneurial skills to scientific expertise. Links with business can bring additional funding, for example, to expand research capacity or to provide retraining courses, and will enhance the impact of university-based research on SMEs and regional innovation' (EC, 2006, p. 6). This optimistic outlook is based on the assumption that convergence of interest between higher education institutions and private business outweighs the conflict of interest. A recent EU survey on university–business cooperation describes eight types of cooperation: collaboration in R&D, academic mobility, student mobility, commercialization of R&D results, curriculum development and delivery, lifelong learning, entrepreneurship and governance. Ninety-two percent of all institutions were engaged in some kind of cooperation, with approximately 65% of institutions displaying at least a medium level of engagement. As for individual academics, however, 40% were still not engaged in any cooperation at all (Todd, Baaken, Galan Muros, & Meerman, 2011, p. 10).

Economic nexus at the institutional level, however, is not only about closer ties with the business community, but even more about transformation of universities themselves. They are supposed to become enterprises, or at least enterprise-like organizations. This is a case of business imperialism: models and philosophies of management are transposed from private business to higher education. It is true that thinking of universities as enterprises is not entirely new. Clark (1983, pp. 116–119) already noted that American universities had a long tradition of enterprise-based forms of authority. In the U.S., higher education institutions have been far less integrated to public administration than in most European countries. Boards of trustees and university presidents with strong leadership, supported by a solid management apparatus, are important forms of enterprise-based authority in this context. But even in the U.S., critical scholars observe a radicalization of enterprise-like behavior (Slaughter & Leslie, 1997; Slaughter & Rhoades, 2000), notably in the aftermath of the Bayh–Dole Act permitting publicly funded research institutions to claim ownership on their inventions and to make business based on intellectual property rights. The tradition is very different in continental Europe, where universities strongly rely on discipline-based and bureaucracy-based forms of authority.

In many European countries, the chair system prevailed for a long time. It leads to the creation of very small academic units, each one headed by a single professor, whereas in the U.S., departments form the basic unit, gathering several professors. The tradition of bureaucratic authority is most important in countries where senior academics are civil servants. Thus, transforming universities to enterprise-like organizations has different meanings from one country to the other.

The European Commission deplores political overregulation and micro-management of universities. In this perspective, higher education institutions are currently under-managed: governments must grant more autonomy to universities, and universities must build up stronger management and leadership. In the same vein, universities must become accountable for their performance, according to policy goals. A recent EU report on university governance reform (Enders & File, 2012, pp. 10–11) describes four types of institutional autonomy. Organizational autonomy allows universities to decide on internal organization and leadership; policy autonomy refers to staff and student selection, and to the ability of universities to develop teaching and research programs on their own; financial autonomy includes the ability to decide on the internal allocation of funds, to diversify income sources, to build reserves and to borrow money from capital markets; and interventional autonomy protects universities from accountability requirements. The authors state that institutional autonomy of European higher educations increased ‘to different degrees in different countries’ between 1995 and 2008 (Enders & File, 2012, p. 101). While financial autonomy in many cases reached high levels, organizational autonomy often remains rather low. Interventional autonomy of universities has decreased because of ever stronger quality control and reporting requirements. The authors conclude that ‘the balance between autonomy and accountability needs to be re-visited. What seems to have been gained in terms of autonomy might too easily be lost to excessive accountability requirements. Traditional means of state regulation and state micro-management tend to be replaced by new methods of accountability and reporting to other authorities. It is timely to assess the means and ends of accountability in European higher education’ (Enders & File, 2012, p. 101).

Business imperialism in university governance reform is related to new public management (NPM). Ferlie, Musselin, and Andresani (2008) argue that transformations in higher education are similar to those of other public services, because they are related to a broader redefinition of the role of the nation state in society. Nevertheless, they see NPM only as one out of three narratives of governance reform. While NPM brings to the fore a stronger top-down control of the public sector, network governance favors a hollowing out of the state, and neo-Weberian concepts advocate ideas of democratic revitalization (for instance by the way of decentralization). Clearly, the network concept creates more possibilities for universities to behave like enterprises, whereas NPM somewhat paradoxically calls on entrepreneurial behavior without granting much institutional autonomy. A survey among academics in 12 European countries indicates substantial differences between countries with regard to governance reform: 'In conclusion, while the tidal wave of NPM-inspired reforms has swept over the European higher education landscape, it broke differently and with varying intensity in each national context, partly also dismantling academic self-governance along its way. While some countries have been hit earlier (UK), some are in the midst of a reform process (AT, IRL) and some were barely touched by reforms at the time of the survey (HR, IT). In some countries, reforms encountered resistance by more resilient structures and traditions (DE); in others, this wave met with strong countercurrents such as network governance (NL, CH). In many countries, only certain elements of NPM were implemented, with each system adapting in its unique and specific way, resulting in an array of institutional provisions across Europe' (Park, 2013, p. 202).

Both the European Commission and the OECD put forth an entrepreneurial university concept which insists on the necessity to strengthen the agency of universities, not subordinating them to state control or economic influence (see their 'Guiding framework for entrepreneurial universities' (EC & OECD, 2016)). The entrepreneurial university concept was first elaborated by Clark (1998). According to his model, university reform must address five critical issues. First, the 'steering core' must be strengthened, that is universities should build up stronger management and leadership. Second, they must expand their

‘developmental periphery,’ reaching across traditional boundaries in order to better cooperate with outside organizations and groups. This includes different aspects, from outward-reaching research centers and technology transfer to interdisciplinarity, life-long learning, fundraising or alumni affairs. Third, entrepreneurial universities look for a diversified and discretionary funding base. They recognize the current trend of shrinking government funding and ‘turn it to advantage. They step up their efforts to raise money from a second major source, research councils, by more vigorously competing for grants and contracts. They set out to construct a widening and deepening portfolio of third-stream income sources that stretch from industrial firms, local governments and philanthropic foundations to royalty income from intellectual property, earned income from campus services, student fees and alumni fundraising. Third-stream resources represent true financial diversification. They are especially valuable in providing discretionary money, beyond overhead charges and top-sliced sums extracted from research grants.’ Fourth, it is very important to stimulate the ‘academic heartland,’ that is the traditional academic units which are most likely to oppose change. They must be transformed into entrepreneurial units too. Finally, yet importantly, successful transformation requires the development and the incorporation of an ‘integrated entrepreneurial culture,’ a new system of beliefs shared by the whole university community (p. 6).

More and more higher education institutions have adopted shared governance models. Whatever the differences may be, all of these rely on cooperation between internal and external actors in some kind of university boards. Veiga, Magalhães, and Amaral (2015) argue that in Europe most often these reforms ‘are decreasing the academics’ power in governance practices, while in the United States a shift in power balance is moving in the opposite direction’ (p. 402). In other words, whereas in the American context shared governance often stimulates the academics’ participation in governance practices, in European universities, the same concept generally weakens traditional forms of collegial governance by senior academics. According to the authors, the United Kingdom and the Netherlands are forerunners in Europe, displaying a strong pattern of top-down new public management reform, whereas Norway and

Portugal are latecomers in ‘boardism,’ and in France, Germany and Italy the weakening of the academics’ power has been more limited. At any rate, far-reaching governance reforms might still come in the future. They will probably reflect a growing diversification of business models in higher education: for instance, a recent OECD chapter outlines four basic business models according to different ‘value propositions’ and funding models (Mangeol, 2014, p. 76). Between the ‘comprehensive university (public or private) with government or tuition as main source of revenue’ (traditional model), the ‘vocational college focused on fields with high local labour market demand’ (mixed model), the ‘comprehensive university (public or private) with diversified funding sources and shared services with partners’ (mixed model) and the ‘online provider delivering pay-as-you-go competency-based programs targeted to life-long learners’ (innovative model), there will be important differences in governance. Thus, there can be no general conclusion concerning the autonomy of higher education institutions vis-à-vis the market: the degree of autonomy will vary strongly according to business models and governance forms (see also the typology in Marginson, 2008, p. 306).

## The Academic Profession

The Commission advocates more entrepreneurship for the academic profession: universities should stimulate ‘an entrepreneurial mindset among students and researcher’ (EC, 2006, p. 7). ‘Cross-fertilization with the business community’ is supposed to stimulate entrepreneurial behavior. The Commission deplores a current ‘lack of openness to the business community [which] is also seen in the career choices of doctorate holders, who tend to pursue their whole careers in either academic circles or industry, and not as entrepreneurs’ (EC, 2006, p. 4). But what does it mean for academics to behave like entrepreneurs? At the core of the academic profession’s traditional ethos, we can find an ostentatious negation of material or economic profit. The academic world is one of those fields of action where disinterested acts are very profitable, because they increase the social and symbolic capital of agents. In such an economy of symbolic goods (Bourdieu, 1998b, pp. 92–126),

everybody wants to work with colleagues in search for truth, not profit. Academic prizes and honors go to scholars with outstanding scientific performances, not for university–business cooperation, nor patenting research results. The question therefore arises if this academic world is withering away today, under ever-stronger pressure from the economy. Is *Homo economicus* replacing *Homo academicus*? (see, for instance, Münch, 2011, pp. 94–131).

I do not think so. Neoliberal higher education policy does not want to bury *Homo academicus*. Its aim is a reinvention of this traditional character, rearticulating it with the figure of *Homo economicus*. This interpretation is consistent with a growing literature on academic capitalism in the U.S. and elsewhere in the world (Cantwell & Kauppinen, 2014). Certainly, a growing number of academics engage in market-like behavior. Competition for research grants has spread across all disciplines, whereas the development of marketable products, research and technology transfer or the creation of spin-offs and start-ups remains more limited. The surge of these activities shows that the taboo of combining economic and academic practices is weakened. The literature on academic capitalism is stimulating because it shows that neoliberalism comes to universities not only from the outside, but is also promoted from within. The emerging academic entrepreneur resembles the managerial heroes described by Boltanski and Chiapello (2007) in their book on the ‘new spirit of capitalism.’ They are in search of maximizing their academic capital through projects and partnerships ignoring traditional frontiers. They engage in network cooperation bypassing bureaucratic or hierarchical structures. However, this academic entrepreneurialism does not equal any fading away of *Homo academicus*. It is not just imposed from the outside but created by new structures and struggles within the academic field. For all the changes, the old opposition between an autonomous and a heteronomous pole in the scientific field remains crucial. Academic capital remains the currency needed to climb at the top of academic positions and honors. The opposition between pure academic capital and institutional academic capital (Bourdieu, 1998c, pp. 31–37) still helps to explain many things when it comes to analyzing universities. Nevertheless, there are growing opportunities to engage in academic competition by accumulating economic resources.

The reason for this is evident: today, the endowment of academics, and academic units, with financial resources is predetermined to a far lesser extent than before by bureaucratic or political decisions.

The debate on academic capitalism highlights not only the spread of market-like behavior, but also a dramatic recomposition of academic and university staff. Two main trends are the rise of managerial professionals and the growth of contingent academic staff (Rhoades, 2014). The rise of managerial professionals is closely linked to governance reform and university–business cooperation. Higher education institutions recruit an increasing number of staff who are professionals but non-academic. They are needed in order to build up internal management capacity, to develop evaluation and accountability practices, student and career services, technology transfer, marketing and branding and other non-academic activities (i.e., not teaching and research). These staff claim professional authority, but their autonomy is more limited than the one granted to academics, who often perceive them as a threat to academic freedom. Because of the influence of managerial professionals, academics see themselves more and more as ‘managed professionals’ (Rhoades, 2007, pp. 120–125), losing part of their traditional influence and autonomy. This feeling of reduced professional prominence might help explain why, at least in the U.S., unionism is gaining ground among academic staff.

While the rise of managerial professionals can be seen as an expression of business imperialism, the surge of contingent academic staff reflects a more general trend in capitalist labour markets at the beginning of the twenty-first century: the spread of precarious or part-time employment without secure future perspectives. In U.S. higher education, the problem concerns primarily the denial of tenure to a growing number of faculty working on (short-)term contracts and/or with part-time arrangements (AAUP, 2016). In some European countries, we observe a rapid growth of junior academic positions without any reasonable future perspectives. Many of these staff are doctoral students. In Austria, Switzerland, Germany and Norway, 62–74% of junior academics have fixed-term contracts without long-term prospects, whereas this concerns less than 10% in Ireland, Poland and the UK (Ates & Brechelmacher, 2013, p. 27). The problem seems to be most acute in countries with very long career ladders such as Germany and Switzerland, where after

doctorate a second thesis is required for senior positions, and where professors represent less than 20% of academic staff (Ates & Brechelmacher, 2013, p. 25). If there is a proletarianization of the academic profession, it is not linked so much to a declining status of university professors (even if some countries may show signs of that phenomenon) but concerns primarily the growing number of contingent staff.

To what extent senior academics really have lost influence and power due to recent governance reforms? Based on a large survey among academics in Europe, Aarrevaara and Dobson (2013) present some interesting findings. Where academics have lost influence, this is most often for the benefit of university managers rather than external stakeholders like the state or private firms. Loss of control can be observed at the level of higher education institutions, whereas at the faculty or department level academics still control their work to a very high degree. In many cases probably governance reform mainly affected the institutional level and did not, or only to a lesser extent, transform basic units. There are differences between countries: academic self-governance seems to remain strong in Croatia, Italy, the Netherlands or Portugal, whereas Austria, Germany and other countries show a more mixed picture. Teaching seems to be far less exposed to external reviewing than research. There is a relationship between the proportion of direct public funding and external stakeholder influence. But the overall conclusion is clear and somewhat at odds with many widespread ideas about the consequences of university reform. The ‘academic core’ of activities remains largely under the control of senior academics. ‘External stakeholders are not threatening academic freedom in the first place, but internal management practices could do so’ (Aarrevaara & Dobson, 2013, p. 179). In the light of these findings, threats to academic freedom might emanate as well—if not more often—from the inside rather than from the outside.

## Students

In the 1990s when I was a student in Lausanne, we mobilized against university reform, claiming that neoliberalism would restrict access to higher education (Alternative Solidaire, 1996). Today the picture is



quite different: European neoliberal policy advocates higher enrolment rates. Almost 20 years ago, the OECD (1998, p. 37) already adopted the slogan 'tertiary education for all.' The 2009 Leuven European ministerial conference on the Bologna Process included this sentence in its declaration: 'The student body within higher education should reflect the diversity of Europe's populations.' In line with the 'new spirit of capitalism' (Boltanski & Chiapello, 2007) mentioned above, neoliberalism responds to certain claims of the student movement of the 1960s, just as it has included feminist concerns (Fraser, 2009). If there is a 'business case for diversity' (EC, 2005b), there are also economic reasons for enlarging access to higher education. Opening universities toward society, another claim of the student movement at the time, now means to make them better servicing the economy. Historically speaking, the mission of universities was the training of small elite groups: the liberal professions and academics, and later on civil servants too. Now more and more graduates are trained for the private sector. A growing part of graduates does not or cannot aspire to high leadership positions. In some countries, unemployment among graduates has reached considerable levels. According to the OECD (2017), the unemployment rate among 25- to 34-year-olds with tertiary education reaches 6.6% in its member states. In some countries such as Germany, the United Kingdom and the United States, graduate unemployment is around only 3%, whereas France (6.7%) scores close to the average and Italy (15.3%), Spain (16%) and Greece (28%) display very high unemployment rates (p. 103).

As universities have evolved toward mass production, the training of students is seen as human capital production, increasing the competitiveness of the economy. European Commission papers insist that this production must become far more effective and efficient. Two major concerns are 'a high dropout rate among students, standing at an average of around 40% in the Union,' and 'a mismatch between the supply of qualifications (...) and the demand for qualified people' (EC, 2003, p. 14). Hence, the call for higher enrolment rates does neither include the idea that everyone should engage in university education, regardless of academic vocation, nor the willingness to let students choose their disciplines without setting incentives from above. There is a tension

between the competition aiming at attracting ‘the best and the brightest’ students on the one hand, and mass production of graduates on the other. This tension is difficult to deal with for university teachers in institutions with a very diverse student body. In order to cope with this problem, the European higher education system might well evolve in a way which gives it two very different faces, like Wacquant’s (2010) neo-liberal ‘centaur-state’: a liberal face turned toward the future elite, and a bureaucratic face turned toward the future mass human capital stock. Whether these two faces will be separated institutionally or integrated in the same institutions remains to be seen.

Employability of graduates has become a central topic. This reflects the fact that university degree does not guarantee job access or job security anymore. In the meantime, it expresses the economy’s affirmation of power vis-à-vis the higher education system. A recent EU study tries to summarize the perspective of employers (Humburg, van der Velden, & Verhagen, 2013) on employability. Accordingly, general academic skills are not very high on the agenda. Employers consider them important but expect all graduates to have them anyway. What makes a difference is professional expertise, that is subject-specific knowledge and expert thinking. It is considered to be the most important skill for employability ‘but there are concerns among employers about the extent to which higher education curricula develop specific knowledge alongside more general academic skills.’ Interpersonal skills (communication, teamwork, etc.) are becoming more and more important. Work experience can be of some importance, as well as international orientation and experience. Strategic and organizational skills are needed not to get a job but to climb career ladders. Somewhat at odds with current debates, employers do not consider innovative and creative skills as well as commercial and entrepreneurial skills to be essential for all graduates: ‘Employers indicate that in an organization or in a team it may be sufficient to have just one or two persons who are strong in innovative/creative skills or commercial/entrepreneurial skills, so here there is clear room for specialization among graduates’ (pp. v–vi).

A central concern in European higher education policy is mobility. The Bologna Process aims at increasing student mobility in Europe. Beyond this perspective, the European Commission sees mobility as

a means of competition among Europe, Northern America and Asia: 'European universities are functioning in an increasingly globalized environment and find themselves competing with universities of the other continents, particularly American universities, when it comes to attracting and keeping the best talent from all over the world. While European universities host only slightly fewer foreign students than American universities, in proportion they attract fewer top-level students and a smaller proportion of researchers' (EC, 2003, p. 21). Thus mobility, too, is not just about attracting many students, but the best ones first of all. The Erasmus Mundus program (EM), created in 2004, serves this goal. 'EM is a regional scholarship program aimed at recruiting the best and brightest non-European talent to pursue graduate-level study (masters and doctorates) in the European region. One distinct characteristic of the EM program includes joint degree programs, wherein at least three partner universities (in the European region) coordinate curriculum, a student mobility plan, and joint recognition of credits leading to a joint degree. This unique joint degree programs, coupled with a lucrative scholarship scheme, attract many international students seeking master's and doctoral degrees. The EM program does not have regulations requiring participating international students to return to their home country, providing students the opportunity to stay within the region after graduation' (Kauppinen, Mathis, & Weimer, 2014, pp. 254–255). These authors describe mobility as an international market where governments and universities are selling education and buying students, whereas students are buying education and selling themselves.

The ever-stronger economic nexus in higher education policy constitutes students in a contradictory, twofold manner, corresponding to the double meaning of the term subjectivation: students are seen not only as raw material exposed to economic valuation, but also as entrepreneurial selves investing in their human capital. Even if not all employers consider entrepreneurial skills essential for all graduates, the Commission exhorts universities to stimulate an 'entrepreneurial mindset among students and researchers' (EC, 2006, p. 7). In practice, this will mean different things for different fractions of the student body. While in the mass production field, entrepreneurship rhymes

with adaptation to changing labour market situations, at the level of elite production the challenge consists of articulating entrepreneurial mindset with academic vocation and ambition. Following the academic career path, from student to junior academic to senior academic, the Foucauldian figure of the entrepreneurial self will gradually lose its prominence for the benefit of the academic entrepreneur fitting the 'new spirit of capitalism' (Boltanski & Chiapello, 2007). The enlargement of access to higher education has created a deep class divide inside the student body, and universities in their present state of mind and functioning are neither willing nor able to ease this fracture. A growing number of students from lower social origin currently do not feel at home in higher education institutions, they behave like 'big pupils' searching for skills to get a job rather than 'real students' expressing academic vocation. In the meantime, an economic approach to discrimination, largely consistent with human capital theory, replaces sociological critique of inequality reproduction (Streckeisen, 2009, 2013): Neoliberalism opposes discrimination only to the extent that it violates the principle of the individual's free and rational choice. This way of looking at inequality makes its workings largely invisible.

## Conclusion

Neoliberalism is both more and less than privatization, or marketization. It does not necessarily need privatization in order to be effective, and the market (to be more precise: a specific conception of markets) is only part of its workings. Table 1 presents a summary of the findings carved out in this contribution. We should not think of neoliberalism as a uniform reality. Rather we observe a bunch of forces and ideas often converging, but sometimes also at odds or even conflicting.

Regarding the power of the economy, universities certainly face a serious threat to be forced to simply servicing the economy through human capital production, university–business cooperation and so on. On the other hand, let us not ignore the fact that the knowledge society paradigm assigns a crucial role to them, including opportunities to reaffirm academic power. At any rate, the economic subordination of

**Table 1** Neoliberalism in European higher education policy (summary of findings)

	Power of the economy	Power of economic ideas	Power and inequality
System	Lisbon Strategy and Europe 2020 Economic subordination of universities vs. higher education as a strategic economic sector	Economics Imperialism Higher education as a market vs. European Higher Education Area as a space of cooperation	System differentiation: elite vs. mass; general vs. vocational education EU–USA–Asia competition, U.S. world dominance U–Multirank vs. ARWU Shanghai Ranking
Institution	University–business cooperation Technology transfer Services to students, stakeholders and so on	Business Imperialism: universities as enterprise-like organizations NPM, network governance, entrepreneurial university, Boardism	Strengthening senior management Institutional autonomy vs. accountability Growing influence of external stakeholders Academic core still under academic control
Profession	University–business cooperation Academic mobility, spin-offs, patenting	Academic entrepreneurship (new spirit of capitalism) Market-like behavior and competition for economic resources	Managerial professionals and managed professionals Contingent/precarious (junior) staff, trends to proletarianization
Students	Employability: students must better match labour market skills Precarious work and unemployment of graduates	Foucauldian entrepreneurs (human capitalists) Effective and efficient mass production of graduates Economic approach to discrimination displaces sociological critique of inequality reproduction	Elite vs. mass divide, 'big pupils' vs. 'real students' Mobility: competition for the best and brightest Higher tuition disadvantages students from lower social origin

higher education institutions is no all-over process. The more powerful universities are able to defend their autonomy or even to strengthen it. There is no reason to think that the opposition between an autonomous pole and a more heteronomous pole in the academic field will simply disappear. In this respect, differences of power and inequality within higher education matter more than ever. Neoliberalism strongly accentuates inequalities between countries and institutions, rendering a growing number of universities particularly vulnerable to economic subordination. In the same vein, the subordination to economic imperatives does not attain all students to the same degree or with the same force: It depends on university, discipline and grade. In the future, critique of neoliberalism should be more concerned with the problems of mass production rather than solely defending academic freedom for the academic elite.

Maybe the most important finding of this contribution is that neoliberalism comes to universities not only from the outside, as a threat emanating from dangerous external powers. First, the power of economic ideas has been fostered by economists and business scholars, as well as by many other scholars from a broad variety of disciplines, introducing economic reasoning into their own fields of academic work. It comes from within rather than from the outside. What is more, many academics actively contribute to academic capitalism, because it provides them with career opportunities and additional money. Senior management, which usually consists of (former) academics, has been strengthened through governance reform. More generally, senior academics benefit from the growth of contingent faculty and junior academics in precarious positions placed largely at their disposal. In the 1960s, the defense of academic freedom was a weapon turned against the more radical claims of the student movements. Today it serves to not only confront neoliberalism, but also the growth of the student body comprising more and more students from lower social origin. Certainly 'redefining the public university' (Burawoy, 2010) is an urgent task. It involves not only refusing economic subordination of universities and challenging the power of economic ideas, but also addressing power mechanisms and growing inequalities within higher education.

## References

- Arrevaara, T., & Dobson, I. R. (2013). Movers and Shakers: Do Academics Control Their Own Work? In U. Teichler & E. A. Höhle (Eds.), *The Work Situation of the Academic Profession in Europe: Findings of a Survey in Twelve Countries* (pp. 159–181). Dordrecht: Springer.
- AAUP (American Association of University Professors). (2016, March–April). *Higher Education at a Crossroads. The Annual Report on the Economic Status of the Profession*. Academe, 9–23.
- Alternative Solidaire. (1996). *Quand le marché fait école. La redéfinition néolibérale du système de formation suisse*. Lausanne: Éditions d'en bas.
- Ates, G., & Brechelmacher, A. (2013). Academic Career Paths. In U. Teichler & E. A. Höhle (Eds.), *The Work Situation of the Academic Profession in Europe: Findings of a Survey in Twelve Countries* (pp. 13–35). Dordrecht: Springer.
- Boltanski, L., & Chiapello, E. (2007). *The New Spirit of Capitalism*. London: Verso.
- Bourdieu, P. (1998a). *State Nobility. Elite Schools in the Field of Power*. Cambridge: Polity Press.
- Bourdieu, P. (1998b). *Practical Reason. On the Theory of Action*. Stanford: Stanford University Press.
- Bourdieu, P. (1998c). *Vom Gebrauch der Wissenschaft. Für eine klinische Soziologie des wissenschaftlichen Feldes*. UVK: Konstanz.
- Burawoy, M. (2010). Redefining the Public University: Global and National Contexts. In J. Holmwood (Ed.), *A Manifesto for the Public University* (pp. 27–41). London: Bloomsbury Academic.
- Cantwell, B., & Kauppinen, I. (Eds.). (2014). *Academic Capitalism in the Age of Globalization*. Baltimore: Johns Hopkins University Press.
- Clark, B. R. (1983). *The Higher Education System. Academic Organization in Cross-National Perspective*. Berkeley: University of California Press.
- Clark, B. R. (1998). *Creating Entrepreneurial Universities. Organizational Pathways of Transformation*. Bingley: Emerald.
- EC (The European Commission). (2003). *The Role of the Universities in the Europe of Knowledge* (COM (2003) 58 final). Brussels: Commission of the European Communities.
- EC (The European Commission). (2005a). *Mobilizing the Brainpower of Europe: Enabling Universities to Make Their Full Contribution to the Lisbon Strategy* (COM (2005) 152 final). Brussels: Commission of the European Communities.

- EC (The European Commission). (2005b). *The Business Case for Diversity. Good Practices in the Workplace*. Luxembourg: Office for Official Publications of the European Communities.
- EC (The European Commission). (2006). *Delivering on the Modernization Agenda for Universities: Education, Research and Innovation* (COM (2006) 208 final). Brussels: Commission of the European Communities.
- EC (The European Commission). (2011). *Supporting Growth and Jobs. An Agenda for the Modernization of Europe's Higher Education Systems* (COM (2011) 567 final). Brussels: Commission of the European Communities.
- EC (The European Commission), & OECD (2016, December 18). *A Guiding Framework for Entrepreneurial Universities*. Retrieved from <https://www.oecd.org/site/cfecpr/EC-OECD%20Entrepreneurial%20Universities%20Framework.pdf>.
- Enders, J., & File, J. (2012). *Progress in Higher Education Reform Across Europe. Governance Reform. Vol. 1: Executive Summary Main Report*. Twente Enschede: The European Commission.
- Ferlie, E., Musselin, C., & Andresani, G. (2008). The Steering of Higher Education Systems: A Public Management Perspective. *Higher Education*, 56(3), 325–348.
- Fine, B., & Milonakis, D. (2009). *From Economics Imperialism to Freakonomics. The Shifting Boundaries Between Economics and Other Social Sciences*. London: Routledge.
- Foucault, M. (2008). *The Birth of Biopolitics. Lectures at the Collège de France, 1978–1979*. Basingstoke: Palgrave Macmillan.
- Fourcade, M. (2006). The Construction of a Global Profession. The Transnationalization of Economics. *American Journal of Sociology*, 112, 145–194.
- Fourcade, M., & Kurana, R. (2013). From Social Control to Financial Economics: The Linked Ecologies of Economics and Business in 20th Century America. *Theory & Society*, 42, 134–145.
- Fraser, N. (2009). Feminism, Capitalism and the Cunning of History. *New Left Review*, 56, 97–117.
- Harvey, D. (2005). *A Brief History of Neoliberalism*. Oxford: Oxford University Press.
- Humburg, M., van der Velden, R., & Verhagen, A. (2013). *The Employability of Higher Education Graduates: The Employer's Perspective*. Maastricht: The European Commission & Maastricht University.



- Jongbloed, B., & de Boer, H. (2012). Higher Education Funding Reforms in Europe and the 2006 Modernisation Agenda. In M. Kwiek & A. Kurkiewicz (Eds.), *The Modernisation of European Universities. Cross-National Academic Perspectives* (pp. 127–148). Frankfurt: Peter Lang.
- Kauppinen, I., Mathies, C., & Weimer, L. (2014). Developing a Conceptual Model to Study the International Student Market. In B. Cantwell & I. Kauppinen (Eds.), *Academic Capitalism in the Age of Globalization* (pp. 246–264). Baltimore: Johns Hopkins University Press.
- Maassen, P. (2012). System Diversity in European Higher Education. In M. Kwiek & A. Kurkiewicz (Eds.), *The Modernisation of European Universities. Cross-National Academic Perspectives* (pp. 79–96). Frankfurt: Peter Lang.
- Mangeol, P. (2014). Strengthening Business Models in Higher Education Institutions. An Overview of Innovative Concepts and Practices. In OECD, *The State of Higher Education 2014* (pp. 47–76). Paris: Organisation for Economic Co-operation and Development.
- Marginson, S. (2008). Global Field and Global Imagining. Bourdieu and Worldwide Higher Education. *British Journal of Sociology of Education*, 29(3), 303–315.
- Münch, R. (2011). *Akademischer Kapitalismus. Über die politische Ökonomie der Hochschulreform*. Frankfurt: Suhrkamp.
- OECD. (1998). *Redefining Tertiary Education*. Paris: Organisation for Economic Co-operation and Development.
- OECD. (2017). *Education at a Glance. OECD Indicators*. Paris: Organisation for Economic Co-operation and Development.
- Park, E. (2013). From Academic Self-Governance to Executive University Management: Institutional Governance in the Eyes of Academics in Europe. In U. Teichler & E. A. Höhle (Eds.), *The Work Situation of the Academic Profession in Europe: Findings of a Survey in Twelve Countries* (pp. 183–203). Dordrecht: Springer.
- Polanyi, K. (2014). *The Great Transformation. The Political and Economic Origins of Our Time* (7th printing). Boston: Beacon Press.
- Radnitzky, G., & Bernholz, P. (Eds.). (1987). *Economic Imperialism. The Economic Approach Applied Outside the Field of Economics*. New York: Paragon House.
- Rhoades, G. (2007). The Study of the Academic Profession. In P. J. Gumport (Ed.), *Sociology of Higher Education Contributions and Their Contexts* (pp. 113–146). Baltimore: Johns Hopkins University Press.

- Rhoades, G. (2014). Extending Academic Capitalism by Foregrounding Academic Labor. In B. Cantwell & I. Kauppinen (Eds.), *Academic Capitalism in the Age of Globalization* (pp. 113–134). Baltimore: Johns Hopkins University Press.
- Sin, C., Veiga, A., & Amaral, A. (2016). *European Policy Implementation and Higher Education. Analysing the Bologna Process*. London: Palgrave Macmillan.
- Slaughter, S., & Leslie, L. L. (1997). *Academic Capitalism. Politics, Policies, and the Entrepreneurial University*. Baltimore: Johns Hopkins University Press.
- Slaughter, S., & Rhoades, G. (2000). The Neo-liberal University. *New Labor Forum*, 6, 73–79.
- Streckeisen, P. (2009). Knowledge Society, or Contemporary Capitalism's Fanciest Dress. *Analyse & Kritik*, 1, 181–197.
- Streckeisen, P. (2013). Wie die Ökonomie zur Bildung kommt. Zur Verbreitung der Bildungsökonomie in der Schweiz. *Widerspruch*, 63, 139–148.
- Todd, D., Baaken, T., Galan Muros, V., & Meerman, A. (2011). *The State of European University-Business Cooperation*. Münster: The European Commission & Science-to-Business Marketing Research Centre.
- Välilmaa, J. (2014). University Revolutions and Academic Capitalism. A Historical Perspective. In B. Cantwell & I. Kauppinen (Eds.), *Academic Capitalism in the Age of Globalization* (pp. 33–54). Baltimore: Johns Hopkins University Press.
- Veiga, A., Magalhães, A., & Amaral, A. (2015). From Collegial Governance to *Boardism*: Reconfiguring Governance in Higher Education. In J. Huisman, H. de Boer, D. D. Dill, & M. Souto-Otero (Eds.), *The Palgrave International Handbook of Higher Education Policy and Governance* (pp. 398–416). Basingstoke: Palgrave Macmillan.
- Wacquant, L. (2010). Crafting the Neoliberal State. Workfare, Prisonfare, and Social Insecurity. *Sociological Forum*, 25(2), 197–220.
- Winckler, G. (2012). The European Debate on the Modernization Agenda for Universities. What Has Happened Since 2000? In M. Kwiek & A. Kurkiewicz (Eds.), *The Modernisation of European Universities. Cross-National Academic Perspectives* (pp. 235–247). Frankfurt: Peter Lang.