

Shifting themes in OECD country reviews of higher education

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Abstract There have been changes in the political economy since the 1980s, and the Organization for Economic Cooperation and Development (OECD) has changed as well. Scholars have noted shifts in OECD discourse in some policy fields since that time: shifts away from what might be called classic neoliberal perspectives. This paper reflects on the changes in the political economy and in OECD and explores how they might be related to changes in OECD discourse in higher education. Specifically, it examines country reviews of higher education systems conducted by OECD in the mid-1990s and the late-2000s for evidence of shifts in its higher education discourse. Instead of a softening of neoliberal perspectives, it finds a further entrenchment of assumptions associated with neoliberalization. It also describes what appears to be a deepening contradiction in the discourse concerning the private and public benefits of higher education. Finally, it reflects on how the contexts of the political economy as framed by OECDs discourse, affects its proposed goals and strategies for higher education.

Keywords Higher education · Neoliberalization · Discourse · OECD · Private benefit · Public benefit

Introduction

Other research has reported that Organization for Economic Cooperation and Development (OECD) discourse in several policy fields has been shifting away from neoliberalizing assumptions (Bradford 2008; Mahon 2008, 2010; Pal 2008). This study sought evidence of a softening or redirecting of neoliberalizing assumptions in OECD discourse on higher education (HE). It was hypothesized that with the changing political economy after the global economic turmoil of the early 1980s and in light of changes in its membership and activities, OECD's HE discourse might also be shifting. Hence, this paper explores the themes, assumptions and constructions in OECD country reviews of HE systems in the

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mid-1990s and the late 2000s. It finds no evidence of any redirecting of the discourse away from neoliberalizing assumptions. Instead it reports that the assumptions the recommendations rely upon are those that have been linked to neoliberalization. The discourse further entrenches this policy direction by normalizing these assumptions and setting them as contexts requiring response. The paper also illustrates that the shift in context requires that HE be seen primarily as producing a public benefit in order to justify its policy recommendations. However, when the discourse addresses how reform should be funded, the benefits of HE are constructed primarily in private terms.

It is widely believed that the OECD exerts substantial influence over domestic policy in many fields, including education (Jessop 2002; Mahon and McBride 2008). Scholars have therefore been interested in the world-view that OECD projects and the goals and strategies that it promotes. These goals and strategies are not static.

In the late 1970s and early 1980s, many OECD nations experienced a deep recession involving business bankruptcies, rising interest rates, inflation and growing unemployment. In reaction to these economic crises, Keynesian economics was replaced as the dominant economic paradigm at OECD by a more neo-classical model. The subsequent OECD discourse has been greatly condemned by critical scholars as socially unjust, calling it *neoliberal*.

Since that time the global political economy has shifted. Global economic crises of the early 1980s evolved into more prosperous times and then shifted again into turmoil. Developments including internet and communication technologies and the formation of the European Union facilitated economics and HE systems becoming more international. Emerging giants such as India and China are increasingly part of global economics, international HE and OECD programs. Concerns over economic disparity and environmental sustainability have led to growing civil society protest. With these shifts, economic paradigms are reassessed. Macdonald and Ruckert (2009, p. 2) argue that after 20 years of hegemony, "...various cracks have recently surfaced in the neoliberal edifice, and neoliberal restructuring processes have been transformed." Large portions of the globe feel politically and economically marginalized under the effects of neoliberal policy. The resulting counter-discourses and popular protests have led some countries to look for policy alternatives. Graefe (2006a) says that concepts such as *social capital* and *poverty* are creeping back into policy discourse in supra-national organizations such as OECD.

OECD itself has undergone change. In 1996, Secretary General Donald Johnston announced reforms focused on inclusivity, outreach and transparency. OECD increased engagement with Civil Society Organizations and entered into Enhanced Engagement Agreements with Brazil, China, India, Indonesia and South Africa. Slovenia, Estonia, Chile, and Israel joined OECD in 2010 and Russia has signed an accession plan. What was critiqued as a club of affluent Northern and Western nations was now inviting other voices and world views (Woodward 2011).

Scholars note recent shifts in OECD discourse in some policy fields (Mahon and McBride 2008). For example, the 2006 *Jobs Strategy* stood in contrast to the 1996 version in its open acceptance that ambitious social goals can have positive economic effects. Alongside free-market approaches to employment, it promoted the Nordic *flexicurity* model which includes: (a) generous welfare benefits; (b) active labour market practices; (c) employment protection laws; (d) moderate minimum wages; and (e) strong unions (Martens and Jakobi 2010; McBride et al. 2008). Mahon (2008) reported that OECD family policy shifted from assuming individuals need persuasion to work, to recognizing barriers to work (such as child care) for which the state has a role. In a more recent analysis (forthcoming), she explains that social issues are becoming more prominent in their own right in OECD social policy, and not only as mechanisms for labour optimization. Similar shifts have been noted in public sector reform

(Pal 2008), the development assistance committee (Ruckert 2008), and the territorial development and policy committee (Bradford 2008).

Data sources

This study sought evidence of such shifts in OECD HE discourse by examining two sets of documents published a decade apart. Both sets summarize HE systems of different countries and make recommendations for reform. The first set entitled *The First Years of Tertiary Education* is OECD's first thematic review on HE in several countries. It broadly defined tertiary education as formal education leading to a qualification recognized in the labour market, after compulsory schooling. It examined HE systems in 11 countries, each with their own diverse contexts and challenges. Reviews were published between 1996 and 1998. They were based on country self-reports, document analyses, and site-visits which included interviews with various stakeholders including government, industry and institution officials, faculty and students. Review teams consisted of two OECD secretariat members and two Directorate for Employment, Labour and Social Affairs (DELSA) members. Each country had input into review team selection to ensure appropriate expertise.

The second set of reviews was part of the *Tertiary Education for the Knowledge Based Economy* project. These examined HE systems in 14 countries in a similar fashion and were published between 2006 and 2009. Prime responsibility rested with the Directorate for Education in partnership with the Directorate for Science, Technology and Industry and in collaboration with other OECD departments, including the department of Economics. The report authors acknowledge input from stakeholders similar to those in the 1990s project but also specifically refer to various UNESCO and European Commission agencies.

Addressing neoliberalization

The term *neoliberal* is problematic: It is dynamic and poorly defined, conflated with neo-classical economics and laissez-faire capitalism and used mostly by those who oppose it. However, it is used prolifically in the critical literature and does somehow represent a trend in policy practice and discourse (Mirowski and Plehwe 2009). It is associated with theorists such as Hayek, Friedman, Stigler, Popper and Polanyi; with politicians such as Reagan and Thatcher; and with policy such as the Washington Consensus. It represents a philosophy for politics, economics and social policy and their intersections. Munck (2005) proposes its core assumption is that a self-regulating market is efficient, so government intervention is almost always undesirable. Harvey (2005, p. 2) adds that “human well-being can best be advanced by liberating individual entrepreneurial freedoms...” and that where markets do not naturally exist (i.e. education) the state must create one.

Figure 1 illustrates some actions and assumptions that have been associated with neoliberalization in the critical literature. I follow Graefe's (2006b) suggestion that it is more useful to discuss neoliberalization as a process and direction than neoliberalism as an idealized model. As a process, we can consider different fronts of neoliberalization such as those in Fig. 1, and ask questions about how each is being supported or hindered.

Graefe (2006a) describes three responses in policy direction. The first, attributed to Peck and Tickell (2002), is *rollout*. Rollout involves entrenchment of structures and perspectives supporting neoliberalization. It may involve the deepening of market-relations and

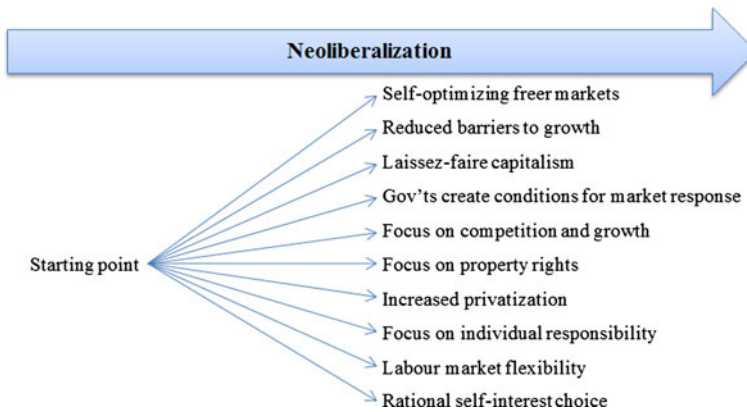


Fig. 1 Facets of neoliberalization as a process

extension into social policy fields such as developing market mentality in education. *Flanking* (Jessop 2002) supports neoliberalization by ameliorating its negative social effects through non-market solutions while strengthening neoliberalizing core assumptions. Both *rollout* and *flanking* maintain the paradigm. *Countervailing* seeks to undo neoliberalization. It may involve attempts to democratize policy and insert alternate assumptions. This paper compares the themes, assumptions and contexts as presented in the OECD country reviews of HE from the 1990s and late 2000s, examining them in terms of the fronts of neoliberalization above as they relate to rollout, flanking, and countervailing.

Thematic shifts

The first years of tertiary education (1996–1998)

Key themes in the documents are presented in three levels: Contexts, goals, and strategies. Each level frames the construction of subsequent levels: Context affects goal construction. Goals affect strategies recommended. See Fig. 2.

Figure 3 illustrates context themes framing HE reform as presented in the 1990s reviews. The over-arching theme is a demand-driven massification of HE. Prior to the 1960s, only a small portion of a population attended post-compulsory education. By 1996 many OECD nations experienced HE enrolment rates approaching 50 % of the school-leaving cohort. Several countries struggled to meet that demand. What was once for the elite few was increasingly for the diverse many.

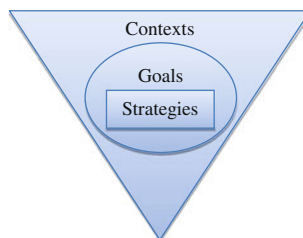


Fig. 2 The framing of themes

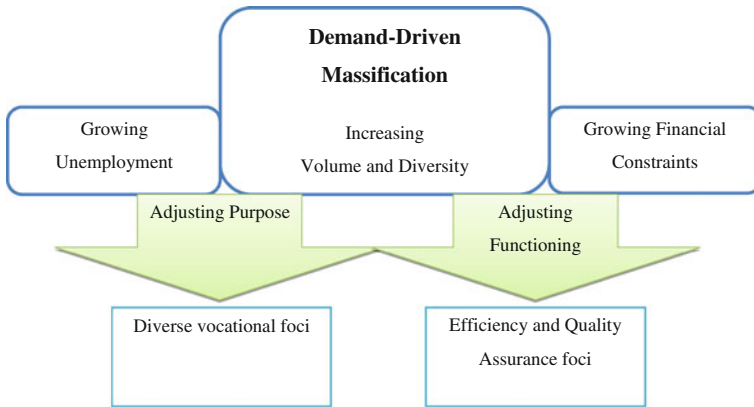


Fig. 3 Contextual themes in country reviews 1996–1998

This massification coupled with rising unemployment narrowed the focus in the discourse concerning the purposes of HE. Whereas parts of HE (e.g. universities) could previously focus on the development of knowledge for less immediate ‘practical’ purposes, in these new contexts HE was positioned to meet the practical needs of the many. Promoted as a way to reduce unemployment, vocational purposes of HE were highlighted.

Massification coupled with financial concerns related to political and economic shifts was seen to threaten quality. The reviewers of the American State of Virginia declare: “... simply to continue prior practices at a time when the student population is becoming more diverse in terms of backgrounds and interests and resources are limited would put at risk quality and effectiveness...” (OECD 1997g-Virginia, p. 20). HE institutions (HEIs) must function differently. Discourses of efficiency, and related concerns with quality assurance and accountability were central.

Interpretations of how HE should function are affected by the identified purposes of HE. Although non-vocational purposes are acknowledged in the reviews, recommendations are heavily weighted toward employment. The contexts themes of massification, unemployment and financial constraints frame the reported goals of reform. The two overarching, linked goals presented are *equity* and *quality and efficiency*. Each of these goals is associated with several strategies. See Fig. 4.

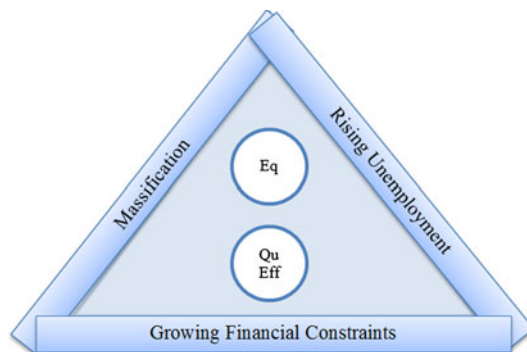


Fig. 4 Key recurrent goal themes, 1996–1998

To achieve *quality and efficiency*, reviewers recommend strategies of *Institutional Autonomy* and *Devolution of Government Responsibility*. These are reported as “the keys to future development” (OECD 1997f-UK, p. 15) supporting a competitive market-mentality, innovation, efficiency, and institutional entrepreneurialism. Quality enhancement is expected from more responsive curricula, creative ways of teaching and learning, and new sources of revenue. A tactical role for governments is recommended: “One theme running through our comments is the advantage of a strengthened strategic role for the Ministry and government in promoting responsiveness” (OECD 1997a-Denmark, p. 6). They recommend centralized:

- Monitoring of outcomes and/or quality mechanisms
- Steering institutional decision making with general guidelines and targeted funding, and
- Gathering of data and input from stakeholders to promote informed decision making.

An associated strategy theme is *diversity and flexibility*: in terms of programming options for students, methods of teaching and learning, and in foci/types of institutions. One review summarized: “The best option may be to give individuals the widest possible choice, coupled with the best possible information” (OECD 1996b-Sweden, p. 20). Diversity and flexibility are constructed as a response to a growing need for talent diversity and linked to student equity and diversity.

Reviewers strongly linked institutional diversity to quality through competition, often in terms of responsiveness to labour market need and student demand. The reviewers of Portugal claim that the development of a new private HE sector in that country “...introduced new competition, pressing both public and private institutions to prove ‘success’...” (OECD 1998-Portugal, p. 10). Those of Norway claimed: “... there can be too much measuring and not enough development of knowledge, especially knowledge of the kind that comes from courses and study programmes in the field, the community, the workplace and various other practical settings” (OECD 1997e-Norway, p. 17).

Strategies of *Partnerships and Collaboration* within the education system and with other social partners was a strong theme in all reviews. Improved articulation and coordination of programming between institutions were seen as efficient and benefitting students moving between forms and levels of education. Collaboration with partners outside of the education system (i.e. regional and national government, international partners, public and private stakeholders, professions and community) were recommended. Reviewers of Sweden claim, “[T]he policy objective for the institutions of ‘opening up to the world’ needs to be vigorously pursued with greater emphasis on market sensitivity, students as clients, customer service and partnerships with industry, regional bodies and cultural institutions” (OECD 1996b-Sweden, p. 20).

The strongest recommendations for external partnership are for collaborations with potential employers. Reviewers of Belgium explain:

The key question is: are the students being prepared for a rapidly changing world of work whose final bearings are likely to be global as much as regional and for which highly competent, energetic and creative individuals will be needed in increasing numbers? (OECD 1996a-Belgium, p. 15)

Industry is seen as providing opportunity for student engagement in practical work-based experience and for specialist teaching staff. Primarily, however, industry partners are constructed a valuable consultants for course and program design and for evaluation of both students and teachers. The key objective is to make HE relevant and responsive to the

changing needs of the labour market. “The main thrust of its advice reflects deep concern about the quality and responsiveness of the tertiary sector” say Japan’s reviewers (OECD 1997c-Japan, p. 11). Such partnerships are expected to provide required labour market skills, to affect regional development, to improve HEI accountability, and to enhance efficiency. The reviewers of Norway summarize:

In order to meet needs for local, regional and national development, to provide a kind of education that addresses emerging as well as established employment opportunities and to achieve greater efficiencies in the use of resources, industry-education partnership of many different kinds have emerged in a number of OECD countries. (OECD 1997e-Norway, p. 10)

Reviewers reported on *Client Orientation* as a strategy theme: “...education and training are still not sufficiently practice or client oriented” (OECD 1997d-New Zealand, p. 14). Students as clients suggests a “...need to review the conditions under which students learn...providing assistance in social and academic orientation and integration...” (OECD 1997b-Germany, p. 16). This includes articulation and success counseling to ensure that student choices are appropriate for employment opportunities and their interests and capabilities. Such guidance is expected to increase efficiency by supporting the success of all students particularly those who have previously been under-represented, part-time students and those for whom cost could be a barrier.

Students are not the only clients. The New Zealand review explains: “An over-arching question is: who is the ‘client’ to be served—employers, students, the broader economy and society? Or, as seems likely, some combination...” (OECD 1997d-New Zealand, p. 27). Student needs are largely set to overlap with employer and economy needs. One review states: “The emphasis should be on employment prospects, on practical work including field work, on partnerships with industry...” (OECD 1997c-Japan, p. 17). Another claims the

...principal concern is the extent to which there are effective and widely-used means of feedback from the labour market and of responses on the part of institutions and programmes. The key question is: are the students being prepared for a rapidly changing world of work? (OECD 1996a-Belgium, p. 15)

A student-as-client orientation is strongly linked to rethinking of teaching and learning and learning conditions. Varied instruction modes including field-based learning and flexible programming including part-time studies were highly recommended. Reviewers recommended that research expertise should not be valued at the expense of quality teaching and mechanisms should promote, monitor and reward teaching excellence.

The second main goal, access equity, is seen as threatened by financial constraints and efficiency foci. HE is cast as the great equalizer in both economic and non-economic terms. Consequently, inequity of provision is seen as undemocratic, unjust, inefficient and a waste of human potential. It is described as a goal in its own right and a condition necessary for economic development. The Virginia review offers a concise summary:

To fail to pursue the adaptations needed to extend tertiary education to 90 per cent or more of a generation is to ignore deeply held democratic values, to accept the social bias which presently remains, to risk further marginalisation and social exclusion and to reject the possibility that the additional monetary and nonmonetary returns on investment for even higher levels of participation in tertiary education will outweigh the costs. (OECD 1997g-Virginia, p. 14)

Strategies for equity are not as clearly articulated as they are for quality and efficiency. However, quality and efficiency strategies such as client-orientation and diversity of programming are also linked to equity, even if they are primarily described in terms of quality and efficiency benefits.

In summary, three context themes (massification, financial constraints, unemployment) framed 2 main goal themes (quality/efficiency, equity), each of which was associated with a number of inter-linked strategy themes. The main strategy themes included:

1. Institutional autonomy
2. Diversity/flexibility
3. Partnerships and collaboration
4. Client orientation.

Related sub-themes included competition, quality assurance, accountability, employability, entrepreneurialism, innovation and responsiveness.

Tertiary education for the knowledge based economy (2006–2009)

Comparing Fig. 5 to Fig. 3 illustrates the subtle language shifts in contexts reported in the reviews of the late 2000s. The over-arching theme and reason given for HE reform is no longer demand driven massification. It is the globalized knowledge-based economy (KBE) and the associated assumption that nations must expand their knowledge development and innovation capacity to be competitive and maintain economic growth.

Instead of high unemployment, the discourse claims workers lack skills needed by industry for a competitive economy. The vocational focus is maintained. Instead of growing general, and potentially temporary, financial constraints, HE is positioned in competition with other public services. Foci on quality and efficiency are maintained, but funding becomes an additional prominent focus and new ways of funding HE are recommended. These language shifts affect how recommendations are formed.

Comparing Fig. 6 with Fig. 4 shows that two additional goal themes are strengthened in the later reviews:

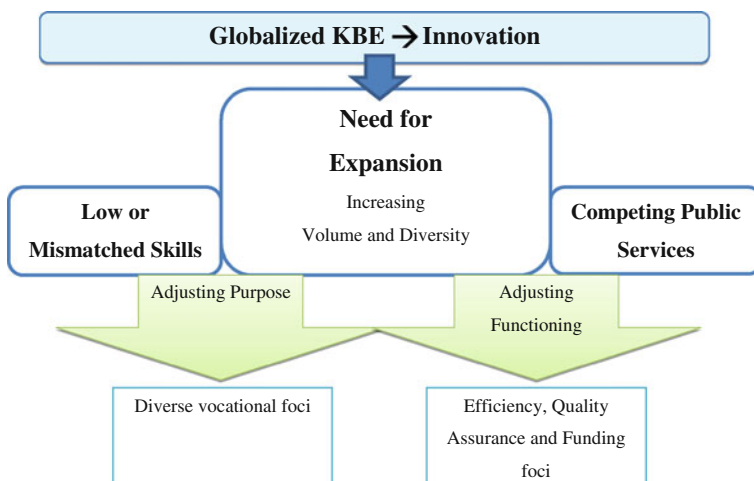


Fig. 5 Contextual themes in country reviews 2006–2009

- a. Funding: Reduce the relative reliance of HE on public funds;
- b. Innovation: Increase the competitiveness of the country through knowledge production, distribution and innovation.

Equity is described now more as both equity of access and success and recommendations are made specifically for improving success for socio-economically disadvantaged and other under-represented groups, for gender, geographical and age equity. There is particular emphasis in some reviews on increasing opportunities and success for adult learners through program delivery options, funding considerations and prior competency assessment. Note that in some cases (e.g. see partnerships in Table 1) strategies that may be linked strongly to goals of quality/efficiency, innovation or funding are also secondarily and more weakly associated with the goal of equity.

Each goal is associated with various inter-related strategies. Table 1 identifies strategies and the goals they primarily serve for each set of reviews. Strategies in the 1990s reviews are mostly repeated in the later documents, and some now serve the additional goals as well. For instance, HEI autonomy not only serves quality/efficiency goals (G1) but also innovation (G3) and funding (G4) goals.

Innovation is reported to require: (a) HEI economies of scale, (b) HEI competition, and (c) increased science/technology/engineering/math (STEM) capacity. STEM capacity involves more students in these fields, more involvement with industry, and more research funding. Both basic and applied research are recommended, but there is an emphasis on commercializable products. HEI competition involves competing for both funding and students and relies on HEI autonomy. Competition is seen to support HEIs becoming more entrepreneurial, engaging in new ways with stakeholders and finding new ways of generating revenue.

The goal of reducing HEIs relative reliance on public funds is associated with several strategies. Again, central is HEI autonomy: entrepreneurial institutions should creatively seek new revenue sources and compete for tuition-paying students and financial backers. One strategy theme more prevalent in the later reviews is *cost-sharing*: students, as primary beneficiaries of HE, should bare a substantial proportion of the cost. Sizable tuitions are endorsed, supported by means-tested loans repaid after graduation on a progressive and income-contingent basis. Grants to students should be minimized and large block grants to HEIs are condemned as benefiting those already privileged as much as those who are not.

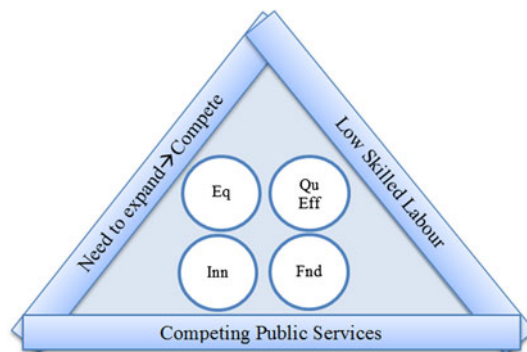


Fig. 6 Key recurrent goal themes, 2006–2009

Table 1 Contexts, goals and strategies in the reviews

Contexts	1990s			2000s		
	High unemployment	Demand driven massification	Financial crises	Under-skilled labour pool	Need to expand HE	Competing social services
Foci	Vocational	Quality/efficiency		Vocational	Quality/efficiency	
Goals	G1. Improve quality and efficiency of HE G2. Improve equality of access to HE			G1. Improve quality and efficiency of HE G2. Improve equality of access and success in HE G3. Increase innovation capacity G4. Reduce relative reliance on public funds		
First order strategies	HEI autonomy (G1) Devolution (G1) Diversity/flexibility of HEIs, programmes, delivery (G1 > G2) HEI competition (G1) Partnerships with industry, community, institutions (G1 > G2) Client orientation (G1 > G2)			HEI autonomy (G1, G3, G4) Devolution (G1, G3, G4) Diversity/flexibility of HEIs, programmes, delivery (G1, G3, G4 > G2) HEI competition (G1, G3, G4) Partnerships with industry, community, institutions G1, G3, G4 > G2) Client orientation (G1, G3, G4 > G2) Build STEM capacity (G3) Greater student cost sharing (G4)		

Discussion

The contexts for HE reform are constructed by OECD based on certain assumptions. These assumptions and constructions affect the construction of goals and strategies. By identifying assumptions and constructions in the documents of both periods, we can investigate possible discursive shifts in terms of rollout, flanking and countervailing neoliberalization.

The contexts for both periods are similar yet expressed differently and result in new goals and strategies. In the 1990s reviewers claimed to be responding to demand-driven massification and concerns for quality, equity and finance created by this demand: HE responding to the demands of the people. In the later reviews, HE is asked to respond to an external force: the needs of the KBE. The KBE is a poorly defined concept constructed by OECD (Carlaw 2006; Peters 2001). Although scholars critique the concept (Bastalich 2010; Godin 2006; Kuhn 2006), it is taken as unquestioned reality.

Similarly, a context shift from *high unemployment* to *under-skilled workers* represents a move from addressing the needs of workers to those of industry and the economy. The final contextual shift from *financial constraints* in general to *competition for public funds* with other public services is a shift from temporary austerity measures in a time of financial crises to a permanent reassessment of the public value and responsibility for HE. Shifts in constructed context amount to a move from the state responding to the needs of the populace through HE in challenging economic times, to the state seeking to reduce its relative financial responsibility for HE as it addresses the unstoppable demands of the global KBE.

These goals and strategies were based on assumptions. Both periods assume the following:

1. HE should prepare people for work.
2. Quality and efficiency require autonomous HEIs and competition.
3. Governments' role is to set conditions for autonomous, competing HEIs.
4. Students, institutions and industry will make decisions based on rational self-interest.
5. Excellence in teaching is important.
6. HE can reduce economic and social inequity.
7. Access to HE should be available to all who have the capability and interest in it.
8. Equity is important in its own right: not just for economic outcomes.

The later reviews contain the following assumptions more explicitly:

9. Skills and knowledge needed in the workplace are rapidly changing.
10. Innovation is required for countries to be competitive in the world market.
11. Innovation requires building knowledge and STEM capacity.
12. Innovation is promoted by competition.
13. HE must expand.
14. Excellence in research is important.
15. Competitiveness requires increasingly higher skilled workers.
16. HE must prepare a highly skilled labour pool.
17. Those who benefit most from HE should pay most.
18. Although HE benefits individuals and the public, the private benefits are greater.

This study sought evidence of a shift away from neoliberalization. Considering the fronts of neoliberalization in Fig. 1, the early reviews involve a strong focus on devolution of state control, competition, and rational self-interested choice. Furthermore, assumptions 2, 3 and 4 above relate to foundational neoliberalizing beliefs that

- a. free-market are efficient and self-optimizing (Munck 2005),
- b. well-being results from liberating entrepreneurialism, and
- c. government's role is to create market mentality and market response where none previously existed (Harvey 2005).

The later reviews maintain and strengthen those beliefs. The early reviews speak of growth to meet student demand to ensure equity of access. Assumptions 10 through 15 show later reviews more concerned with growth of HE to meet economic demands and economic growth through innovation. Individual responsibility is highlighted more in the later reviews in assumptions 17 and 18 which commodify HE as private property and personal benefit.

There is no evidence in these reviews of a weakening in any fronts of neoliberalization from the 1990s to the 2000s. Instead, these fronts have been strengthened. Early reviews develop market mentality and market response by normalizing competition of autonomous HEIs and relying on student/consumer self-interested rational choice for quality and efficiency. Later reviews focus on growth for its own sake, strengthen the notion of individual responsibility, and more solidly weave HE into the fabric of market rationality. This is rollout.

Equity is a prominent theme in both sets of reviews. It is not framed solely in economic terms or for national economic objectives. Equity is given as a goal in its own right. This is, however, not the "creeping in" of the social that Graefe (2006a, b) spoke of. Equity has always been a strong theme in education (Rubenson 2008). Nor does it countervail neoliberalizing assumptions. Equity is not offered as an alternative paradigm. Equity is a separate conversation altogether. The need for equity is not presented as resulting from any

contexts, but rather its position is perceived as threatened by the contexts. It predates the contexts. It does not oppose neoliberalization. In fact, if one assumes that some existing inequity is a result of neoliberalizing policy, one might consider the promotion of HE as the great equalizer as a flanking response ameliorating negative effects of free market social injustice thereby supporting the foundations of the paradigm.

Quality and efficiency goals are more strongly linked by the reviewers to the reported contexts than is equity in either period. Equity is positioned as important in its own right in a democratic society, as stated above. Financial constraints are constructed as an external, unalterable threat to it. However, limited concern is expressed over reviewer recommendations that might also threaten equity, such as recommendations to reduce relative public funding, devolution of state authority, and HEI competition with market-response. There are no first-order strategies in either period primarily targeting equity. Those first-order strategies that address equity (e.g. diversity, partnerships and client orientation) are more strongly associated with improving quality and efficiency first, secondarily addressing equity. See Table 1 (i.e. $G1 > G2$). Indeed, the later documents contain several second-order strategies (those intended to facilitate first-order strategies) focused primarily on equity. For instance, means-tested, progressive and income contingent loans schemes are suggested in order to protect equity of access when increased student cost-sharing is adopted. Others include prior learning assessments for adult and lifelong learners, data collection to analyse under-represented groups and outcomes of various groups, and better guidance counselling and information for school leavers from under-represented groups. Even considering these second order strategies, the documents do not link strategies for equity as tightly to the constructed contexts as they do for the other goals. They develop more detailed strategies for goals of quality, efficiency, innovation and reducing the relative reliance on public funds than they do for equity of access and success. This suggests that we at least question the degree to which equity is really a prime goal and the degree to which it might be rhetoric inserted both to flank neoliberalization by ameliorating its negative social effects, and to assuage the frustrations of the education scholars at OECD who work in an increasingly neoliberalizing environment.

When viewed in terms of private and public benefits of HE, we see a contradiction. When reviewers speak of the KBE and its requisite HE reform, expansion and up-skilling of the labour force, HE is constructed firmly in terms of primary public benefit. Some quotes illustrate:

...in a knowledge-based world...leading countries are likely to be those that provide lifelong tertiary education to their populations. (OECD 2008c-Netherlands, p. 56)

It is critically important that tertiary education give higher priority to the contribution it makes to the economy. (OECD 2009c-Norway, p. 71).

...Higher education is a ... means to increase the human and social capital of the nation...; and to contribute towards ... competitiveness ... required by a knowledge based economy. It is also a factor for national economic growth, cohesion and social justice... (OECD 2008b-Mexico, p. 23)

Tertiary Education Organizations play an important role to deliver and meet the (short-term) skill and knowledge needs of the economy. (OECD 2008d-New Zealand, p. 31)

The priorities ... are to ensure that ... tertiary education ...contributes to development of the Czech Republic in the context of the knowledge society. (OECD 2009b-Czech, p. 99)

Higher education is the prime instrument for making the transition towards a Knowledge Economy. (OECD 2008a-Iceland, p. 36)

New programs should be preceded by an assessment of relevance—e.g. whether they respond to labour market needs, foster innovation or serve communities' aspirations. (OECD 2009d-Poland, p. 93)

The public benefits of HE are constructed as the rationale behind the need for HE reform and expansion. However, when discussing funding this publicly necessary expansion, HE is constructed primarily as a private benefit:

Whilst society also benefits from a more knowledgeable labour force, such benefits, it is argued, are nevertheless outweighed by the advantages that accrue to the individual. (OECD 2008a-Iceland, p. 38)

Various studies have shown that there is a significant correlation between educational attainment and annual income... (OECD 2008d-New Zealand, p. 35)

It is commonly being asked whether it is equitable for two thirds of the population to pay taxes to support private benefits that largely flow to the other third. (OECD 2009c-Norway, p. 24)

Cost sharing by students alerts them to the economic consequences of their study choices, and fosters a sense of engagement and heightened expectation among students *qua* consumers. (OECD 2009b-Czech, p. 44)

Empirical studies offer compelling evidence that undertaking tertiary education is a highly profitable investment from the individual's point of view. (OECD 2009a, p. 31)

This is not to deny the private benefits to HE. And reviewers do not deny public benefits. They do suggest some sort of value-calculus whereby relative benefit can and should be calculated and used to assign appropriate levels of public and private funding. This should be questioned. The scope of this paper does not allow an adequate address of that issue. The suggestion here is that if the economy and industry require expansion and reform of HE, a logical error is committed in claiming that students are the largest beneficiaries and should therefore bear a larger cost share.

Theorizing the shift

Reviews of the 1990s and 2000s share many constructions and assumptions. However, contexts are framed differently resulting in a shift from addressing the needs of the populace to addressing the needs of the economy and producing a contradiction in terms of private and public benefits of HE. There is no evidence of redirection away from a neoliberalizing course in these reviews. Rather, there is evidence of further rollout and flanking of neoliberalizing assumptions in the 2000s.

In theorizing how this discourse avoids a shift away from neoliberalism, one might recall that the first article in its convention unequivocally sets the primacy of OECD's economic growth and trade mandate. However, I propose that OECD's economic mission is insufficient to explain the findings of this study. First, OECD discourse in other policy fields *is* shifting. Secondly, OECD had the same mandate back in the 1960s and early 1970s when it was a strong proponent of Keynesian economics. Instead, explanation must lie in the changing nature of HE discourse. I propose that an important mechanism of the entrenchment of neoliberal ideology in the HE discourse lies in the introduction of a neoliberal conceptualization of the economy which has become *common-sense*, which intimately links the supply of knowledge to the economic growth of nations. Coded as the

KBE, this definition of education-market-economy relations was set as an a priori context to which HE policy must respond. In light of the proliferation of information technologies and the decline of manufacturing jobs, the KBE appears beyond question. However, the concept imports neoliberal assumptions.

I suggest the construction of the KBE and its setting as context solidifies a neoliberal understanding of the relationship between HE and the economy in two key ways.

Supply side approach

Keynesian economics sought to develop the economy by stimulating the demand for goods and services. Calling on Schumpeterian notions that growth requires innovation and on endogenous growth assumptions (see Romer 1986, 1994), neoliberal economic policy stimulates the *supply* of goods and services and focuses on increasing productive capacity. The KBE concept defines economic growth as dependent on the supply of innovation and productive labour. It promotes production, not consumption. Knowledge is centralized as a resource. HE is the central source of that supply. If we are in a KBE, what other options could there be other than to supply knowledge? *Employment* discourse (which would increase spending and the demand for goods and services) gives way to *employability* discourse, which is concerned with the productive value of workers. Labour is constructed as a deficit resource and it is proposed that expansion of HE will address this deficit and optimize productive capacity. It therefore seeks to supply more human capital and HE spaces instead of responding to popular demand.

Devolution of state responsibility in favour of market mechanisms

The KBE concept supports the re-construction of individuals and HEIs as responsible for themselves and for the economy. Knowledge lies in individuals. HEIs develop that knowledge. The State's role is reduced to that of steering and oversight instead of having more direct responsibility.

Texts build individual's responsibility by (a) presenting them as primary beneficiary; (b) using a skills-deficit model to attribute economic growth to labour; (c) the normalization of lifelong learning; and (d) promoting counselling and market-signal information dissemination to individuals. HEIs are made responsible through (a) reducing the role of the state in governance to steering; (b) promoting autonomy and competition between HEIs with outcomes based funding; and (c) pressing for privatization, entrepreneurial activity and alternate funding sources. Direct State involvement is further reduced by setting reduced public funding to students and HEIs as an unquestioned context. The public good of HE is over-shadowed and HE is positioned as in competition with, and perhaps a threat to, other social services.

The KBE concept creates a primary and seemingly indisputable link between knowledge supply and the economy, and therefore more specifically between HE and economic growth. It constrains our view of the economy and tendency to think of other ways of promoting prosperity and well-being. It limits our ways of conceptualizing HE. It *economizes* HE making it *the* key mechanism for national competitiveness. It builds an understanding of HE not as a social policy field, but more centrally as an economic policy field.

Jessop (2002) explained that as competing paradigms engage in the political economy, at any one time there will be oscillations about a dominant paradigm. As political economic discourse has engaged with the contradictions of dominant neoliberal doctrine, other

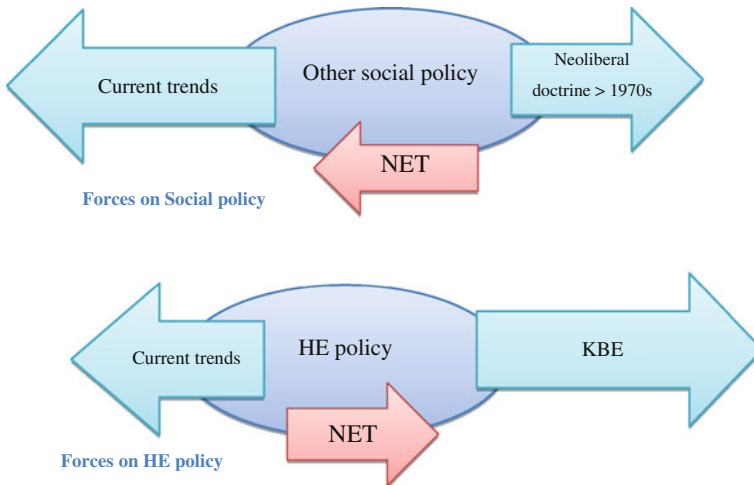


Fig. 7 Discursive oscillations in the political economy

social policy fields have been able to respond and oscillate away from neoliberalism (See Fig. 7). However, the introduction of the KBE concept, its assumptions about the economy's reliance on the supply of innovation and productive labour, and the setting of the concept as an overarching context to which HE must respond exerts pressure on HE discourse to oscillate in the opposite direction.

Concluding remarks

OECD is a complex and dynamic organization. Its different departments, authors and audiences may involve different assumptions and constructions in different publications. There is no *one* OECD HE perspective. The present study investigates only one instrument in the OECD orchestra, played at two periods in time. It is further limited because there are no large multi-national OECD reviews of HE prior to 1995. Additional investigations of OECD publications from different times, by different departments and for different audiences might uncover trends and other perspectives. Products for analysis might include the regional reviews¹ of *Higher Education in Regional and City Development* conducted in association with the World Bank in late 2009 and 2010; country reviews² in *Learning for Jobs: Review of Vocational Education and Training* of 2009 and 2010; the current Assessment of Higher Education Learning Outcomes (AHELO) feasibility study; the Programme for International Assessment of Adult Competencies (PIAAC) project since 2009; and various ongoing publications which touch upon HE such as the Science, Technology and Industry (STI) Scoreboards, *Outlook on Education*, and the *OECD Observer*.

Some may feel offended by the vocational and economic foci in OECD discourse. Many would like to see HE held up for “higher” ideals. However, it is fair for OECD to be

¹ Fourteen regions participated.

² Sixteen participants.

concerned with economics. They do not deny that they are primarily an organization concerned with economics. It is up to us, the readers, politicians, scholars, voters, teachers, administrators, and policy makers, to be aware that this is an economic organization and be careful of from whom we get our assumptions.

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